National Dairy
Development Board
Anand

Compendium of Documents on Dairy Development and Animal Husbandry Schemes being implemented by different departments of Government of India

Compendium of Documents

On

Dairy Development and Animal Husbandry Schemes being implemented by different departments of Government of India

August 2016

National Dairy Development Board

Foreword

Dairying is a major source of livelihood for a large number of people in rural India, particularly landless, small and marginal farmers. Currently, various Government Schemes related to Dairy Development and Animal Husbandry are being implemented. Many of these Schemes provide for funding and technical support for various components of dairying as an economic activity. The Schemes are:

- Department of Animal Husbandry Dairying & Fisheries
  - National Dairy Plan Phase I (NDP I)
  - National Programme on Bovine Breeding and Dairy Development (NPBBDD)
  - Rashtriya Gokul Mission
  - National Livestock Mission (NLM)
  - Livestock Health & Disease Control (LH&DC)
  - Dairy Entrepreneurship Development Scheme (DEDS)
- Department of Agriculture & Cooperation
  - Rashtriya Krishi Vikas Yojana (RKVY)
  - Integrated Scheme for Agricultural Marketing (ISAM)
- Ministry of Rural Development
  - National Rural Livelihood Mission (NRLM)
- Ministry of Food Processing Industries
  - Scheme for Cold Chain, Value addition and Preservation Infrastructure
- Central Sector Integrated Scheme on Agricultural Cooperation (National Cooperative Development Corporation Scheme)
- Ministry of Women & Child Development
- Ministry of Tribal Affairs
- Dairy Development Schemes of NABARD
- Revised guidelines on RBI Priority Sector Lending

However, convergence of these schemes at the implementation level i.e., State and District levels, is necessary to ensure effective growth of the sector and social and economic progress of dairy farmers.

A compilation of the guidelines of various Government schemes was prepared and shared in 2014 and 2015. I have pleasure in enclosing the updated compilation of the guidelines of the important schemes based on various administrative approvals for 2016-17.

On request of NDDB, various States have constituted State Level Monitoring Committees (SLMC) for effective coordination and monitoring of Animal Husbandry and Dairy Development schemes and their convergence in the state.

I hope the States and State Milk Federations will take a lead in ensuring that these Schemes are optimally utilized for higher productivity, better procurement and marketing of milk.

Chairman

Date: 08 August 2016

National Dairy Development Board

Table of Contents

***PS:** The page numbers in bold and larger font size appearing in the **bottom (centre)** of every page is the page number used for this compendium.*

F.No.22-23/2011-DP
Government of India
Ministry of Agriculture
Department of Animal Husbandry, Dairying & Fisheries

Krishi Bhawan, New Delhi-110001
Dated the 28[15] April, 2016

OFFICE MEMORANDUM

Subject: - Administrative Approval of Central Sector Scheme "National Dairy Plan Phase-I (NDP-I)" during 2016-17.

In continuation to this Department's OM of even no. dated 19.05.2015 and subsequent addendum vide Department's OM of even no. dated 03.08.2015, the undersigned is directed to convey the administrative approval of Government of India for continuation of Central Sector Scheme "National Dairy Plan" phase I during the year 2016-17. The objectives of the scheme are as follows:-

a) To help increase productivity of milch animals and thereby increase milk production to meet the rapidly growing demand for milk.
b) To help provide rural milk producers with greater access to the organised milk-processing sector.

These objectives would be pursued through the adoption of focused scientific and systematic processes in provision of technical inputs supported by appropriate policy and regulatory measures.

2. NDP-I will be implemented with a total investment of about Rs.2,242 crore comprising Rs.1584 crore as International Development Association (IDA) credit, Rs.176 crore as GoI share, Rs.282 crore as share of End Implementing Agencies (EIAs) that will carry out the projects in participating States and Rs.200 crore by National Dairy Development Board (NDDB) and its subsidiaries for providing technical and implementation support to the project.

3. Pattern of funding under the scheme will be 100% grant-in-aid for nutrition and breeding activities. In the case of new semen station, 25% of the project cost of the capital expenditure and in the case of village based milk procurement systems, 50% of the cost of capital items will be shared by the End Implementing Agencies. Administrative expenses including training expenses under the scheme would be kept within the admissible 6% ceiling of total expenditure proposed under the scheme.

4. The key components of NDP-Phase I are:

[A]. Productivity Enhancement

a). Production of high genetic merit (HGM) cattle and buffalo bulls and import of Jersey/ HF Bulls for semen production

i) Progeny testing
ii) Pedigree Selection
iii) Import of bulls (equivalent embryos)

b). Strengthening existing semen stations / starting new stations for producing high quality disease free semen doses
    i) Strengthening existing semen stations -(A & B graded semen stations only)
    ii) New Semen stations

c). Setting up a pilot model for viable doorstep AI delivery services (based on Standard Operating Procedures [SOPs]) through a professional service provider including animal tagging and performance record

d). Improving nutrition of milch animals to produce milk commensurate with their genetic potential and for reducing methane emission
    i) Ration Balancing Program
    ii) Fodder Development

[B]. Village based milk procurement systems for weighing, testing quality of milk received and making payment to milk producers

a) Milk weighing, testing and collection
b) Milk cooling
c) Support for creating institutional structure
d) Training

[C] Project Management and Learning

a) ICT Based MIS
b) Learning & Evaluation

5. NDP-I would now focus on 18 major milk producing States (*after Andhra Pradsh was bifurcated into Andhra Pradesh and Telangana*) viz; Uttar Pradesh, Punjab, Haryana, Gujarat, Rajasthan, Madhya Pradesh, Bihar, West Bengal, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Uttarakhand, Jharkhand, Chhattisgarh, Odisha and Kerala which account for over 90% of the country's milk production. Coverage of NDP I will however be across the country in terms of benefits accruing from the scheme.

6. The scheme will be implemented by NDDB through end implementing agencies (EIAs) comprising State Livestock Boards, State Cooperative Dairy Federations, District Cooperative Milk Producer Unions, cooperative forms of enterprises such as Producer Companies, Trusts (NGO's, Section 25 companies), subsidiaries of statutory bodies, ICAR institutes and Veterinary/Dairy Institutes/Universities and any other entity as may be decided by the National Steering Committee to be set up under the NDP-I. The EIAs will be eligible for funding of various components based on the eligibility criteria which will comprise geographical, technical, financial and governance parameters.

7. NDP-I is to be implemented in States where the respective state governments commit to undertake the necessary regulatory/ policy support to prepare an environment for successfully implementing the scheme. The regulatory / policy support to be provided by the state governments are:

a) Having in place an appropriate breeding policy;
b) AI delivery services not being notified as a Minor Veterinary Service (MVS);
c) Charges for AI delivery being raised gradually to cover full cost;
d) Semen for AI delivery in the state being sourced only from semen stations graded A or B;
e) Adoption of common protocols and SOPs issued by DADF for all breeding activities; and
f) Notification of State Rules under the Prevention and Control of the Infectious Diseases in Animals Act.

8. Projects under the scheme will be approved and monitored by the Committees as indicated below.

(a) National Steering Committee (NSC) chaired by Secretary, DADF, GoI would approve State Plans, Annual Action Plans, sanction release of funds to NDDB as well as re-appropriation of funds, and generally oversee and review implementation of NDP I. The NSC would have the authority to consider and approve changes in eligibility criteria with reference to implementing agency, project area, norms of unit cost of components/items, composition of National & Project Steering Committees, component structure and re-appropriation proposals. The composition of the NSC will be as below:

i) Secretary, DADF, GOI – Chairman,
ii) Chairman, NDDB,
iii) Animal Husbandry Commissioner, GoI,
iv) Additional Secretary & Financial Adviser, DADF,
v) Joint Secretary (Dairy Development), DADF,
vi) Principal Secretary/Secretary (AH & Dairying) (from two States on rotation basis)
vii) Managing Director, NDDB as Mission Director, NDP I

(b) Project Steering Committee (PSC) to be headed by Mission Director (NDP I) will have representatives of DADF and NDDB. The Secretary (AH & Dairying) of the concerned State Government or his representative would be an invitee while discussing proposals pertaining to that particular state. The project proposals received from EIAs are to be examined and recommended by Project Management Unit (PMU), NDDB and will be placed before the PSC for approval and sanction of funds for disbursement. The PSC will sanction project proposals and have project oversight. PSC will meet as frequently as necessary to ensure that sub project proposals are considered/ sanctioned within one month of submission by the PMU. The PSC will have powers to authorize the re-appropriation of funds within a project component and between EIAs that are implementing the projects in the same State. The composition of the PSC will be as below:

i) Managing Director, NDDB as Mission Director, NDP-I
ii) Representatives of DADF,
iii) Representatives of NDDB,
iv) The Secretary (AH & Dairying) of the concerned State Government or his representative (would be an invitee while discussing proposals pertaining to that particular state).

(c) Implementation of the project will be managed by a Project Management Unit (PMU) located at NDDB and will be headed by the Mission Director. PMU will appraise the project proposals received from EIAs and recommend the proposals to PSC for sanction, provide technical assistance in project implementation and monitoring as may be required.

(d) The progress of approved projects would be reviewed on a regular interval by regional and State Level Committees constituted by NDDB during 2016-17. The Joint Secretary (Cattle & Dairy Development) or a nominated representative from DADF shall be part of these Committees. Besides, joint inspections by representatives of DADF and NDDB to the project areas are to be made to see ground realities and suggest remedial measures.

(e) NDDB shall submit following information on Quarterly basis to DADF for appraisal, release of fund, Parliament Question, preparing proposal for consideration of NSC, for use of Niti Aayog, D/O Expenditure etc (at the end of March, June, September & December).

i) State-wise, project-wise and component- wise progress report indicating number of projects, total outlay, Grant assistance, EIA contribution, fund released to EIAs, fund utilized by EIAs etc.
ii) Physical progress vis-à-vis key parameters as indicated in outcome budget.
iii) Copy of sanction orders for release of fund to EIAs along with Statement of component/item-wise financial targets and key physical targets under the approved projects.
iv) Consolidated certificate for utilization of fund by EIAs and NDDB vis-à-vis targets.
v) Statement of training provided under NDP-I vis-à-vis targets (cumulative & financial year wise).
vi) Information on number of beneficiaries belonging to **Scheduled castes, Scheduled Tribes and Women** benefited from the scheme in project report and also on quarterly basis. It may be ensured by NDDB and EIAs that 16.2% and 8% of the funds are targeted for SC and ST farmers/beneficiaries respectively under Scheduled Caste Special Plan (SCSP) and Tribal Sub Plan (TSP) as per directives of Planning Commission.

vii) Half- yearly performance appraisal report as on 30.09.2016 [w.r.t (i), (ii), (iv), (v) & (vi) above] should be submitted during the first week of October, 2016 to finalize Revised Estimate (RE) of Budget. Action Plan (financial & physical) for next financial year (2017-18) should be submitted during December, 2016.

9. **The guidelines for approval of project under the Scheme are as follows: -**

i. The PMU in NDDB will examine and appraise the project proposal submitted by the EIA. After the EIA has incorporated any changes, that may be required and resubmitted the proposal, the PMU, NDDB will recommend the project proposal and circulate the same to the members of the Project Steering Committee for approval. PSC will consider the project proposals and on approval of the project the earmarked amount will be released to EIAs by NDDB.

ii. The NDDB would convene PSC meeting and be responsible for all financial and accounting functions related to NDP-I.

iii. The NDDB shall maintain separate books of accounts and all transactions pertaining to NDP-I will be accounted under a new project code (and named as 'NDP-I Fund') which will be separate and distinct from all other accounts of NDDB. A separate bank account will be maintained for the receipt of funds from DADF for onward disbursement to EIAs as Grant-in-aid. Authorized signatories of the NDDB will operate the account.

iv. Unspent balance of grant-in-aid in the previous financial year i.e. 2015-16 and interest earned will be counted towards grant-in-aid under the scheme for the current financial year. The revalidation amount of interest earned and unspent balance will be adjusted against the release of first/second installment. Balance sheet and audited statement of accounts of implementing agencies shall clearly reflect unspent balance and amount earned as interest at the beginning of the financial year so that these amounts are accounted for in a transparent and unambiguous manner.

v. The NDDB will draw funds from DADF, for passing on to EIAs for implementing approved projects, as an advance, usually on a half-yearly/ yearly basis. The NDDB shall make necessary arrangements to obtain audited Fund Utilization Certificates (FUCs) from the EIAs for the funds received by them during the year (on a suitable periodicity – quarterly/ half-yearly) and forward the same to DADF on a yearly basis or as and when required by DADF, in the manner prescribed in Rule 212 of the GFRs.

vi. For activities related to ICT based MIS under the head Project Management and Learning, support for project coordination/management units at Department of Animal Husbandry & Fisheries (DADF), NDDB and

State/district levels as needed will be provided for (i) project monitoring, evaluation and learning activities involving DADF, State Governments, NDDB and EIAs; (ii) services of external agencies for carrying out baseline, mid-term and project completion surveys and other special surveys/studies as may be needed; (iii) technical assistance for MIS; and (iv) providing support for emerging needs and innovations during implementation.

vii. The EIAs will maintain separate books of accounts and all transactions pertaining to NDP-I will be accounted under a new project code (and named as 'NDP-I Fund') which will be separate and distinct from all other accounts of EIAs. A separate bank account will be maintained for the receipt of funds from NDDB. Authorized signatories of the concerned EIA will operate the account.

viii. Funding will be through a line of credit from the International Development Association (IDA), which along with the share of the Government of India, will flow from the DADF to NDDB and in turn to EIAs.

ix. The expenditure incurred by the implementing agency / EIAs on the items of work 12 months prior to the approval of World Bank Board' after following World Bank procedures, are eligible for reimbursement under retroactive financing. Normally, it would not exceed limit of 20% of the budgetary amount of Loan/Credit received in a financial year.

x. The utilization of at least 60 percent of already released funds would be considered necessary for the release of estimated requirements for the subsequent year. However, before the release of the funds for the next year, the EIAs will satisfy full utilization of funds availed until then.

xi. Administrative expenses including training expenses on each component under the scheme should be kept within the admissible 6% ceiling of total expenditure proposed under each component under the scheme.

xii. The evaluation of scheme as a whole and projects under the scheme will be done by a third party external monitoring & evaluation agency. The evaluation would include baseline, annual, mid-term and end-term surveys. The details of procedure to be followed for survey/studies would be prepared and circulated by NDDB after seeking the approval of National Steering Committee.

xiii. Where feasible, the services of ATMA may be utilized by EIAs for carrying out information and education campaigns to create awareness amongst milk producers about the new scientific approach and technologies that could be adopted to increase milk productivity and milk production. The services of KVKs, village based community resource persons and other field staff will be used for capacity building of milk producers, wherever feasible.

xiv. Project Implementation Plan would form the basis for NDDB to determine the components to be funded and the objective to be achieved under the scheme.

10. The following points may be noted for preparing the sub project proposals under the scheme:

i. The project proposal under the scheme will be prepared by the End Implementing Agencies (EIAs) and be submitted to the PMU, NDDB.

ii. Priority areas under NDP-I during 2016-17, based on which the proposals are to be prepared are given as under;

a) Genetic improvement of bulls produced through Progeny Testing Programme and Pedigree Selection Programme
b) Production of high quality semen doses
c) To cover villages and animals under Ration Balancing Programme
d) To increase proportion of area under green fodder with certified/truthfully labeled seeds
e) To cover additional number of village and milk producers for milk collection

iii. The duration of the project period to be submitted by EIAs shall be 2016-17 to 2018-19.

iv. It must be ensured that there is no duplication of activities under NDP I with the existing schemes of the **Central/State Government**. The activities under ongoing schemes should not overlap with the activities under NDP I in their specific areas. A certificate in this regard needs to be issued by the concerned EIA while submitting the project proposal.

v. A background note and present status of dairy development in the covered area especially in respect of components proposed needs to be incorporated in the proposal.

vi. The project proposal shall contain a fact sheet showing the salient features of the proposal as per the given format.

vii. Component/Item-wise justification needs to be provided elaborately supported with facts and figures.

viii. The project proposal shall provide the relevant information on existing Animal Husbandry and Dairy Development infrastructure available in the proposed area as per the given format

ix. All the components proposed under the project should clearly indicate its unit costs as well as detailed cost break up based on prevailing market price and based on the unit costs of similar ongoing schemes of DADF.

x. The project proposal would comprise of a number of Annexures which are to be filled up based on data available with Government sources, benchmark survey, international agencies of repute (eg United Nations website, International Dairy Federation, United States Department of Agriculture and other Government sources). Source of data needs to be mentioned suitably in the annexures. The list of annexures would be available on the website of NDDB and DADF.

11. A sum of Rs.220.00 crore has been allocated under the scheme for implementation of NDP-I during 2016-17, under EAP Component of the project.

12. This OM has been issued with the concurrence of IFD vide diary No.68 AS&FA dated 27/04/2016.

(K.C Patra)
Under Secretary to the Government of India

To,

1. Managing Director, National Dairy Development Board, P.B.No.40. Anand-388001, Gujarat.
2. Secretary, Department of Expenditure, Ministry of Finance, North Block, New Delhi
3. Secretary, Department of Economic Affairs, Ministry of Finance, North Block, New Delhi
4. Secretary, Department of Agriculture & Cooperation, Ministry of Agriculture, Krishi Bhawan, New Delhi
5. Secretary, Department of Rural Development, Ministry of Rural Development, Krishi Bhawan, New Delhi
6. Principal Accounts Officer, Ministry of Agriculture, Department of Animal Husbandry & Dairying, 16 Akbar Road Hutments .New Delhi.
7. Accountant General Commerce, Works & Misc., AGCR Building, Near I.T.O. New Delhi.
8. Chief Controller of Accounts, Ministry of Agriculture, Room No. 242, .Krishi Bhawan, New Delhi-110001.
9. Principal Adviser (Agriculture), Planning Commission, Room .No.I06, Yojna Bhawan, New Delhi.
10. Adviser (PAMD), Planning Commission, Room No.228, Yojna Bhawan, New Delhi. .
11. All Secretaries In charge of Dairy Development in all States/U.Ts.
12. All Managing Directors of State Level Co-operative Dairy Federations.

Copy for information to: -
PPS to Secretary (ADF) / PPS to AS&FA/ PPS to JS(C&DD)/ Dir (DD) / AC (DD) / US (Finance) / AO (Budget)

(K.C.Patra)
Under Secretary to the Government of India

(K. C. PATRA)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

Guidelines for National Dairy Plan Phase I (NDP I)

A. Guideline for preparation of Sub Project Plan:

The End Implementing Agencies (EIA), who are eligible to participate under NDP I as per the defined EIA eligibility criteria[1] shall prepare the Sub Project Plan (SPP) as per following guideline and submit to PMU (NDP I).

General requirements:

- The duration of the project period for the SPPs to be submitted by EIAs shall be between 2011-12 to 2016-17.
- The SPPs under NDP I will be prepared by the End Implementing Agencies (EIAs) and be submitted to the PMU, NDDB.
- A background note and present status of dairy development in the covered area especially in respect of components proposed needs to be incorporated in the plan.
- The SPP shall contain a fact sheet showing the salient features of the plan as per the given format.
- Component / Item-wise justification needs to be provided elaborately supported with facts and figures.
- The SPP shall provide the relevant information on existing Animal Husbandry and Dairy Development infrastructure available in the proposed area as per the given format.
- All the components proposed under the sub project should clearly indicate its unit costs as well as detailed cost break up based on prevailing market price and based on the unit costs of similar ongoing schemes of DADF.
- The SPP would comprise of a number of annexure which are to be filled up based on data available with Government sources, benchmark survey, and international agencies of repute (e.g. United Nations website, International Dairy Federation, United States Department of Agriculture and other Government sources). Source of data needs to be mentioned suitably in the

[1] EIA eligibility criteria: http://www.nddb.org/ndpi/English/AboutNDPI/Pages/Eligibilty-Criteria.aspx

annexure. The list of annexure would be available in the website of NDDB and DADF.

- The EIAs may ensure that there is synergy between relevant central/ state government schemes and NDP I.

Sub Project Plan (SPP) outline:

The SPP may be written out as per the chapter outline given on NDDB website- http://www.nddb.org/ndpi/English/AboutNDPI/Manuals-Guidelines/Pages/Chapter-Outline-SPP.aspx

The content of the concerned chapters in the SPP should contain information that adequately answers the following questions for successful appraisal.

Technical

- Whether the EIA has the relevant experience in the project activity for a certain minimum (say 3-5 years) period of years?
- Whether the EIA has adequate professional manpower with relevant experience and whether gap analysis (manpower strength and skills) for human resources has been carried out?
- Whether in case of gaps, any action plan has been recommended for recruitment and/or capacity building?
- Whether the EIA has the required infrastructure for support services? If not, does it have any confirmed alternative arrangements?
- Are the objectives of the sub project in line with the overall project (NDP I) objectives?
- In addition to the above general aspects, have the specific technical aspects for each component/sub-component /activity been appraised by the respective technical group at NDDB?
- Whether the risks of the sub project involved have been clearly identified and whether the risk mitigation measures suggested by the EIA adequate?

Financial

- Whether the EIA has the adequate Financial Management (FM) capabilities (as per FM Assessment Questionnaire/ Checklist) as contained in the FM Handbook for preparation of a SPP (Volume II of Project Implementation Plan (PIP)).
- Whether the EIA earned net profit during the last 2 years? If not, whether the EIA will have adequate financial strength to sustain the sub project activities?
- Whether the EIA has given its past financial performance (for last five years, if possible) in detail?
- In case the EIA's contribution is required, whether it has the capability to contribute the same, including raising funds from other sources?
- Are the cost components provided in the SPP validated?
- Whether the financial outlay of the project is commensurate with the physical targets proposed?
- Whether the concerned technical groups have substantiated the assumptions?
- Will the sub project generate sufficient revenue to become financially sustainable by End of Plan? If not, has proper justification been provided?
- Has it been confirmed by EIA that it is not seeking grant-in-aid for the same sub project from Government or any other source?
- Has the EIA agreed to provide physical and financial information related to the sub project on a regular periodicity, to PMU?

Procurement

- Procurement means purchase of goods, works and hiring individual consultants. Does the EIA confirm that it has seen and understood the Project Procurement Manual (Volume III of Project Implementation Plan (PIP)), Bank's Procurement and Consultant Guidelines?
- Did the EIA submit the SPP which includes (a) existing procurement arrangement and proposed procurement arrangement for implementation of sub project (b) delegation of procurement powers for implementing the sub

project (c) procurement data for last six months to assess procurement performance and (d) Filled up procurement capacity assessment questionnaire.

Environmental and Social (E&S)

- Has the E&S impact of the sub project been examined based on the filled in "Environmental & Social Checklist for sub projects" submitted by EIA?
- Based on the above checklist, whether the sub project has been recommended?
- Has the impact categorization for the sub project been carried out and the appropriate action plan according to the categorization has been confirmed by the EIA?

Governance Assessment

- Has the Governance and Accountability Action Plan of the sub project been examined based on the filled in "Governance and Accountability Action Plan Questionnaire" submitted by EIA?
- Based on the above questionnaire, whether the sub project has been recommended?
- Whether Grievance Redressal Officer has been put in place by the EIA?

B. Guidelines/Manuals of components/ sub components/ activities under NDP I

The activity specific guidelines of components/ sub components/ activities under NDP I are given on NDDB website at-

http://www.nddb.org/ndpi/English/AboutNDPI/Manuals-Guidelines/Pages/Manual-and-Guidelines-for-Sub-Project-Implementation.aspx

F. No.1-1/2012-DP
Government of India
Ministry of Agriculture
Department of Animal Husbandry, Dairying and Fisheries

Krishi Bhawan New Delhi
Dated: 19 April, 2016

Subject: Administrative approval for implementation of Central Sector Scheme "National Programme for Bovine Breeding and Dairy Development" and "Indigenous Breeds" during 2016-2017.

The undersigned is directed to convey the Administrative Approval towards implementation of "National Programme for Bovine Breeding and Dairy Development" and "Indigenous Breed" with an Budget allocation of Rs 174.00 crore (Rs. 40 crore for National Programme for Bovine Breeding , Rs.74 crore for National Programme for Dairy Development and Rs.60 crore for Indigenous Breeds) during 2016-17.

2. National Programme for Bovine Breeding and Dairy Development (NPBBDD) have three components namely "National Programme for Bovine Breeding (NPBB)" and "National Programme for Dairy Development (NPDD)" and "Rashtriya Gokul Mission". The component-wise objective of the scheme are given below:-

2.1. **National Programme for Bovine Breeding:**

a) To arrange quality Artificial Insemination services at farmers' doorstep;
b) To bring all breedable females under organized breeding through Artificial Insemination or natural service using germplasm of high genetic merits;
c) To conserve, develop and proliferate selected indigenous bovine breeds of high socio-economic importance;
d) To provide quality breeding inputs in breeding tracts of important indigenous breeds so as to prevent the breeds from deterioration and extinction;

2.2. **National Programme for Dairy Development**:

a) To create and strengthen infrastructure for production of quality milk including cold chain infrastructure linking the farmer to the consumer;
b) To create and strengthen infrastructure for procurement, processing and marketing of milk and milk products;
c) To create training infrastructure for training of dairy farmers;
d) To strengthen dairy cooperative societies/Producers Companies at village level;
e) To increase milk production by providing technical input services like cattle-feed, and mineral mixture etc;
f) To assist in rehabilitation of potentially viable milk federations/unions;

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Under Secretary
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Ministry of Agriculture
Deptt. of A. H. D & Fisheries
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2.3 Rashtriya Gokul Mission

a) To undertake breed improvement programme for indigenous cattle breeds so as to improve the genetic makeup and increase the stock.
b) To enhance milk production and productivity of indigenous bovines.
c) To upgrade nondescript cattle using elite indigenous breeds like Gir, Sahiwal, Rathi, Deoni, Tharparkar, Red Sindhi.
d) To distribute disease free high genetic merit bulls of indigenous breeds for natural service.

3. A copy of the guidelines and brief description of activities to be taken up is enclosed herewith. It is requested that a comprehensive proposal for National Programme for Bovine Breeding and Dairy Development may be prepared as per the guidelines of the scheme and submitted to the Department of Animal Husbandry, Dairying & Fisheries.

4. The State proposals will be scrutinized by the Department of Animal Husbandry Dairying & Fisheries and sanctions will be issued with the approval of the competent authority.

5. Participating States/State Implementing Agency will supply information on number of people belonging to **Schedule Castes**, **Scheduled Tribes** and **Women** benefited from the scheme on quarterly basis. It may be ensured that 16.2% and 8% of the funds are targeted for SC and ST farmers/beneficiaries respectively under Scheduled Castes Special Plan (SCSP) and Tribal Sub Plan (TSP) as per directives of Niti Ayog.

6. Participating States/State Implementing Agencies will submit quarterly progress reports (QPR), annual report, audit reports etc along with utilization certificate in the prescribed formats. The funds released under the project will be subjected to AG Audit of the concerned State.

7. This issues with the approval of Joint Secretary(C&DD) vide diary No.644/JS (CDD) dated 18.04.2016.

Yours faithfully,

(K.C.Patra)
Under Secretary to the Government of India

Distribution:

1. Principal Secretary/Secretary, Department of Animal Husbandry/Dairy Development, All States and UT's (speed post)

2. Niti Ayog, Agriculture Division, Yojana Bhawan, New Delhi
3. Principal Accounts Officer, Ministry of Agriculture, Department of Animal Husbandry Dairying and Fisheries, 16-A, Akbar Road Hutments, New Delhi-110011.
4. Accountant General, AGCR Building, New Delhi-110002.
5. Chief controller of accounts, DAC, Krishi Bhavan New Delhi.
6. Managing Director, Milk Federation, All States (Speed post)
7. Director of Animal Husbandry of all States and UT's
8. Chief executive officers of the concerned State Livestock Development Boards.

Copy for kind information to:

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(K.C Patra)
Under Secretary to the Government of India

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Govt. of India
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Krishi Bhawan, New Delhi

OPERATIONAL GUIDELINES FOR IMPLEMENTATION OF NATIONAL PROGRAMME FOR BOVINE BREEDING AND DAIRY DEVELOPMENT (NPBBDD) DURING 12^{TH} FIVE YEAR PLAN PERIOD

National Programme for Bovine Breeding and Dairy Development (NPBBDD) will have two components namely "National Programme for Bovine Breeding (NPBB)" and "National Programme for Dairy Development (NPDD)".

1. OBJECTIVES :

1.1 National Programme for Bovine Breeding:

a) to arrange quality Artificial Insemination services at farmers' doorstep;
b) to bring all breedable females under organised breeding through Artificial Insemination or natural service using germplasm of high genetic merits;
c) to conserve, develop and proliferate selected indigenous bovine breeds of high socio-economic importance;
d) to provide quality breeding inputs in breeding tracts of important indigenous breeds so as to prevent the breeds from deterioration and extinction;

1.2 National Programme for Dairy Development:

a) to create and strengthen infrastructure for production of quality milk including cold chain infrastructure linking the farmer to the consumer;
b) to create and strengthen infrastructure for procurement, processing and marketing of milk;
c) to create training infrastructure for training of dairy farmers;
d) to strengthen dairy cooperative societies/Producers Companies at village level;
e) to increase milk production by providing technical input services like cattle-feed, and mineral mixture etc;
f) to assist in rehabilitation of potentially viable milk federations/unions;

2. DURATION OF THE PROJECT:

National Programme for Bovine Breeding and Dairy Development (NPBBDD) will be implemented throughout the country during 12^{th} Five Year Plan (2013-2017) Spill over activities of the projects will be continued during the 13^{th} Five Year Plan.

3. AREA OF OPERATION:

3.1 NPBBDD will be implemented throughout the country.

3.2 NPBBDD will finance all components in those States where National Dairy Plan, Phase I is not being implemented i.e in the following States and regions:

Delhi, Uttrakhand, Goa, Puducherry, Chhattisgarh, Jharkhand, Himachal Pradesh, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland, Sikkim, Tripura, Jammu & Kashmir, UT of Chandigarh, Daman & Diu, Lakshadweep, Andaman and Nicobar.

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3.3 In the case of States covered by National Dairy Plan Phase-I (NDP-I) (i.e, Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal), NPBBDD will cover those components that are not covered by NDP.

4. FUNDING PATTERN:

4.1 **NPBB Funding Pattern:**

NPBB Component provides for 100% grant-in-aid for all breeding related activities.

4.2 **NPDD Funding Pattern:**

NPDD will be implemented on 100 % grant-in-aid basis for all components, except for the following activities:

4.2.1 installation of bulk milk coolers;
4.2.2 milk processing plants;
4.2.3 milk powder plants; and,
4.2.4 rehabilitation Milk Unions/ federations

4.3 For the first three components, viz.- installation of bulk milk coolers, milk processing plants and milk powder plants,- the funding pattern will be as under:

a) In NDP States -50% grant in aid.
b) For Milk Unions/Federations of North Eastern States and of hilly areas (more than 1000 meter above sea level) in hilly States of Jammu & Kashmir, Uttarakhand and Himachal Pradesh, central assistance would be 90%
c) For other non-NDP States:
   i) For profit making EIAs-i.e. EIAs with accumulated profit of Rs One crore or more in the previous financial year - 75 % grant in aid
   ii) For other EIAs-i.e. loss making EIAs and EIAs with accumulated profit of less than Rs One crore in the previous year- 90%
d) For the component "Rehabilitation Plan" for assisting Milk Unions/ federations to become more viable- 50 % grant in aid.

5. PROJECT FINANCIAL CEILINGS AND OTHER LIMITATIONS - UNDER NPDD COMPONENT:

Central assistance ceilings under NPDD component will be as under:

5.1 Central assistance for the project shall be restricted to Rs 15.00 crores per District.

5.2 For milk powder plant, central grant per district shall be limited to Rs.5 crores per district.

NOTE:

(i) For establishing /upgrading milk powder plant of 30 metric tonnes capacity, surplus milk from a milk shed covering a cluster of districts may be pooled to ensure economic viability of the powder plant.

(ii) Central grant for establishing milk powder plant shall be limited to dairy cooperatives only.

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5.3 Assistance for "technical input services" shall be subject to a ceiling of 15% of the project cost.

5.4 Assistance for cattle induction shall be allowed only for Scheduled Castes, Scheduled Tribes and BPL families.

5.5 Cattle Induction shall be subjected to a maximum ceiling of 10% of the total project cost.

NOTE: The Cost for this purpose of calculating subsidy shall include: i) cost of cattle, ii) animal insurance and iii) transportation cost.

5.6 The subsidy for Cattle Induction shall be restricted to 50% in all cases except for women farmers.

NOTE: In the case of for women milk producers the subsidy element for cattle induction shall have a maximum ceiling of 75% cost.

5.7 Assistance for manpower and skill development shall be provided for setting up and/or upgrading a Training Centre for skill development in the areas listed at **Annexure A**. The total assistance under this component shall not be more than Rs.75 lakh or 5% of the total project cost, whichever is lower.

5.8 Assistance for Information and Communication Technology networking shall be subject to a maximum ceiling of 10% of the project cost.

5.9 Rehabilitation assistance as central grant shall be restricted to a ceiling of Rs.5 Crores.

5.10 Assistance for Working Capital shall be restricted to the total value of "21 days-milk procurement", as projected in the terminal year of the Project, by the End Implementing Agency.

5.11 Planning and Monitoring - limited to 5% of the project cost.

6. IMPLEMENTING AGENCIES:

6.1 NPBB:

6.1.1	State Implementing Agencies **SIAs** -	State Livestock Development Boards
6.1.2	End Implementing Agencies **EIAs** -	State Livestock Development Boards State Animal Husbandry Departments, State Milk Federations
6.1.3	Participating Implementing Agencies **PIAs**-	Other agencies having a role in Bovine Dev.:- CFSP&TI, CCBFs, ICAR, Universities., Colleges, NGOs

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6.2 **NPDD:**

6.2.1 **State** Implementing Agencies **SIAs** – State Dairy Federations for States viz Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Himachal Pradesh, Uttarakhand, West Bengal; and, Milk Unions in remaining States and UTs

6.2.2 End Implementing Agencies **EIAs** - District Milk Unions, New Generation Milk Producer Companies (which are functional for at least one full financial year ending on 31st March of the previous financial year –in respect of projects on PPP model), District Rural Development Authority/Zila Parishad/District Mission Management Units (in respect of projects where there is no District Dairy Cooperative Unions).

6.2.3 Participating Agencies **PIAs** - Other agencies associated or affiliated to above SIAs or EIAs like NGOs, SHGs, Universities, Colleges, ICAR Institutes etc

7. BREEDING POLICY FOR BOVINES AND ATTENTION TO INDIGENOUS BREEDS.

7.1. NPBBDD will be implemented in the states which have a notified dynamic breeding **policy** and a definite **action plan** to operationalise the policy. **Refer to Annexure B**

8. INSTITUTIONAL SET UP FOR IMPLEMENTATION UNDER NPBBDD:

8.1. Funds will be released for the **NPBB** component to all SLDBs, being the State Implementing Agencies.

8.1.1. All States where the process of transfer of breeding related assets – like semen stations, bull mother farms, semen banks and depots- from the Directorate of Animal Husbandry/dairy cooperatives, to the State Livestock Development Boards has not been done shall complete the same within six months of the issue of these guidelines.

8.1.2. The SIAs will receive the project grants and channelize them to the End Implementing Agencies. Organogram for implementation of the scheme is given at **Annexure-C**

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8.2. Funds will be released for the NPDD component to all State Milk Federations/Milk Unions, being the State Implementing Agencies.

8.2.1. Districts where there is no State Milk Federation or District Milk Union, DRDA/Zilla Parishad shall be the end implementing agency. For such districts, DRDA shall take up projects covering backward linking activities, while forward linking activities (i.e, setting up of milk processing plants) shall be on PPP model.

8.2.2. New Generation Milk Producer Companies shall take up projects on PPP model through SIAs.

8.3. Creation of a District level Implementation and Monitoring Committee under the Chairmanship of the Collector/District Magistrate/District Collector to meet on a regular basis.

8.4. Organogram for implementation of the scheme is given at **Annexure-D**

9. SUPPLEMENTATION OF FUND-FLOW FROM SOURCES OTHER THAN NPBBDD:

9.1. The States may continue to augment fund flow from their own resources towards recurring and maintenance costs.

9.2. States can also augment fund flow from other sources like RKVY/other schemes having livestock component as well as multidisciplinary schemes of Ministry of Rural Development, Department of Agriculture & Cooperation, Department of Women & Child Development, Department of Biotechnology etc. This aspect is to be kept in view while formulating the proposals for NPBBDD.

9.3. Respective State/UT Governments or State/End Implementing Agencies shall bear cost of land for chilling centres, dairy plants, liquid nitrogen plants, cattle feed plant, storage godowns and non-plan salary of staff of Implementing agencies.

10. INSTITUTIONAL MECHANISM FOR REVIEW AND MONITORING:

10.1. Central Level monitoring by DAHDF, GoI

10.1.1. **NPBB:** Management Information System (MIS) in the form of INAPH will be utilized by the States. The reports MPR, and QPR should be submitted to DADF as per formats within the prescribed time frame such reports shall be discussed by DAHDF.

10.1.2. **NPDD:** Central Management Information System (CMIS) shall be established. After CMIS is operational, all SIAs and EIAs (wherever applicable) need to obtain their USERID and PASSWORD from the Department. All QPRs and Audited Annual reports shall be submitted to this Department as per formats within the prescribed time frame. Such reports would be evaluated under third party and peer group review/monitoring mechanism.

10.2. State Level Monitoring by Technical Management Committee:

10.2.1. **NPBB:** Meeting of the governing body of the EIAs/TMCs shall be organized after every six months (September and March) to review progress of technical, physical and financial parameters and to remove bottlenecks quickly. The activity components proposed to be taken up under the state sub-project should have quantifiable targets and a time frame so that progress can be monitored periodically.

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10.2.2. **NPDD:** Technical Management Committee under the Chairmanship of Secretary in charge of dairy development of the State, shall be constituted with membership from the Departments of planning, finance, Veterinary, dairy development, State Dairy federation/ District Milk Union, Project Director of DRDA of the respective State Govt. There shall be one member from DADF, GoI representing the scheme in TMC. Minimum of five members from the above shall constitute the quorum of TMC. TMC shall be organized after every six months (September and March) to review progress of technical, physical and financial parameters and remove bottlenecks quickly.

10.3. **Annual Workshop for Monitoring** Audit Report and the same shall be discussed in Annual Workshop involving participating agencies and experts.

10.4. Assistance is available under NPBBDD for installation of computers at strategic locations to facilitate close monitoring of the project. The governing body of the EIAs shall keep a close watch on the activities and will ensure that there is no duplication. The EIA shall give an undertaking to this effect while submitting the Project.

10.5. EIAs shall put in place an effective mechanism to reduce the gestation period of the projects to the barest minimum. This mechanism will be outlined in the Project Proposal.

10.6. All EIAs shall follow the State Procurement Procedures and Guidelines. EIAs should attempt to streamline the process of procurement to develop synergies and cut down delays.

10.7. Audited Annual Progress Report in the prescribed format shall be published by the EIAs within the prescribed time frame and circulated to all concerned.

10.8. **Central Monitoring Units** and State Monitoring Teams will be constituted by the DADF and the SIA's respectively, for continuous monitoring and evaluation of the subprojects being implemented by the EIAs in the State.

10.9. State Implementing Agencies/ End Implementing Agencies of the scheme shall comply with the Statutory guidelines vide Lok Sabha Secretariat's (Committee Branch II) Office Memorandum no. 18/1/2012-2013/CII/CLP dated 19.03.2013, to furnish audited accounts/ annual reports to enable this Department to lay their annual reports as per prescribed procedure for implementation of dairy development projects.

11. COST RECOVERY OF INPUTS & SERVICES TO DEPARTMENTAL AI NETWORKS - BUDGETARY SUPPORT THERE OF:

11.1. To ensure sustainability and viability of AI services, it is necessary to adopt a policy of recovering cost of inputs and services provided from the beneficiary farmers. It is essential that the AI fees may be deposited into the account of the EIA for creation of a corpus.

11.2. In case a State Government chooses to subsidise AI fees in the case of Govt./semi Govt. EIAs, then the concerned State Government must provide adequate budgetary support to the EIA .

12. MEASURES TO ENSURE QUALITY OF GOODS AND SERVICES

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12.1. Standards and specifications in the form of MSPs/SOPs formulated by GOI for Semen Stations, Pedigree Selection, Progeny Testing, AI technicians and bulls for Natural Service shall be implemented in letter and spirit.

12.2. States should also formulate standards for the field AI network.

12.3. Standards formulated by BIS for cryocontainers, castrators, AI consumables; feed, machinery, equipments etc shall be followed.

13. ACTIVITY COMPONENTS TO BE FUNDED

13.1. The list of the activities which will be funded under NPBB are as follows:

13.1.1 Extension of Field AI Net work

- **13.1.1.1** Establishment of Private AI centres
- **13.1.1.2** Training of private AI workers
- **13.1.1.3** Equipments
- **13.1.1.4** Tapering grants
- **13.1.1.5** Refresher training of private AI workers (Rs 3000/worker)

13.1.2 Strengthening existing AI centres

- **13.1.2.1** Replacement of cryocontainers
- **13.1.2.2** Refresher training of existing AI workers

13.1.3 Monitoring of AI programme

13.1.3.1 Identification of females covered through AI (cost of tag)
13.1.3.2 Identification AI born calves
13.1.3.3Computerization

13.1.4 Development and conservation of indigenous breeds

a. Field performance recording
b. Bull production programme (Natural Service)
c. Registration of bulls used for natural service
d. Reward to best bull keeper
e. Establishment of breeders associations
f. Assistance to Gaushalas (best germplasm)

13.1.5 Managerial grants to SIA and grants linked to activities

a. Managerial grants
b. Concurrent evaluation

13.1.6 Manpower development

a. Development of training module & accreditation of training centres
b. Establishment/Strengthening training centres
c. Establishment of regional training centres
d. Trainers training programme
e. Training of professionals
f. Organization of seminars & workshops

13.1.7 Strengthening LN transport and distribution system

a. Bulk LN transport storage & distribution system upto AI centres
b. Replacement of LN plants (in NER, J&K & Ooty)

13.1.8 Procurement of bulls for natural service and AI

a. Procurement of male calves
b. Feeding of male calves Procurement of bulls for AI

13.1.9 Any other related items

Further details of the above activities and mode implementation is given at **Annexure-E**

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13.2 The list of the activities which will be funded under NPDD are as follows:

13.2.1 Milk Chilling facilities at village, block, district level.
13.2.2 Civil works
13.2.3 Equipment for bulk milk coolers, chilling centres.
13.2.4 Milk Processing & Marketing

i) Processing and Marketing facilities [civil works and equipments for milk processing plants (including boiler and refrigeration system etc), milk powder plants, Milk product plants, transportation tankers, including refrigerated tankers, cold storage etc]
ii) Establishment of dairy marketing outlet/parlour (not limited to establishment within the state)
iii) Marketing infrastructure for preserving/ maintaining quality of milk i.e, insulated/refrigerated tanks/vans, deep freezer, Visi-coolers, refrigerators etc.
iv) Assistance for campaigning to increase awareness about advantages of clean milk production/ consumption of pasteurized milk to milk producers/consumers.
v) Can/Crate Washing facility/system.
vi) Effluent Treatment plant (ETP) including civil works.

13.2.5 Milk Procurement

i) Capital Investment for DCS (including DCS - Building construction, Power supply/DG set, water supply system etc.)
ii) Collection of Milk through road milk tankers/ truck/van and/ or cans
iii) Management grant to DCS (on tapering basis- for 3-years only)
iv) Management grant to Union (for federations/unions, which do not have accumulated profit)
v) Transport subsidy on milk transport/ head load charges
vi) Transport subsidy on cattle feed transport
vii) Incentive for better quality milk

13.2.6 Cattle Shed

i) Cattle Shed Construction (new shed construction/ strengthening for old sheds) (Civil works, fodder block storage godowns, Cattle feed godowns, Water supply system, Power supply system, Vermi-compost unit)
ii) Cattle farm mechanization (equipment, mechanization systems, tractor, D.G set)

13.2.7 Cattle Induction

i) Purchase of animals
ii) Purchase of Heifer
iii) Cattle/heifer insurance
iv) Transportation cost of animals

13.2.8 Construction/Establishment of Milk and Milk Product Testing Laboratories

i) At DCS/village level laboratories/ at Bulk Milk Cooler (BMC) centers/At District level laboratories/At State level laboratories including purchase of laboratory equipments as per FSS Act/Codex
ii) Purchase of laboratory equipments (for chemical/ microbial (only for union/state level) analysis of milk and milk products)

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iii) Purchase of laboratory furniture
iv) Purchase of vehicle/van/motorcycles for mobile testing laboratory for sample collection/spot testing of milk and milk products)
v) System for quality assurance (HACCP/ISO) including equipment/computer hardware and software etc
vi) Accreditation and certification of dairy establishments under HACCP/ISO

13.2.9 Clean Milk Production Kit (for beneficiaries)
i) Detergent and sanitizer kit/ accessories
ii) Stainless Steel utensil kit/ accessories
iii) Milking machine & other equipments for hygienic milk handling at village/farmer level.

13.2.10 Technical Input Services
i) FMD & other vaccines
ii) First Aid Box
iii) Audio Visual Kits etc.
iv) Animal Health & Breeding Input Camps
v) Fodder Development
  a. Pasture Development
  b. Fodder Seeds/Mini Kits Distribution
  c. Chaff cutter
  d. Fodder Storage Go downs
  e. Fodder Block making unit
  f. Tractor with trolley
vi) Cattle Feed Development
  a. Cattle Feed Storage
  b. Cattle Feed Plant (compounding/ mixing & grinding plant)
  c. Vehicle for feed transport (Trucks)

13.2.11 Information and Communication Technology Networking
i) Purchase of Computers/handheld terminals with accessories
ii) Purchase of Server System
iii) Purchase/installation of Software systems (milk collection/distribution/billing, quality assurance, employee payroll, operating systems, antivirus etc)
iv) Facilities for registration with RFID tag (including equipments/hand held devices for animal identification and data recording for Bolus tagging) for animals inducted under the programme

13.2.12 Manpower and Skill Development
i) Co-operative Development Programme
ii) Farmer Induction Programme/Training of farmers
iii) Training of DCS staff/BMC/chilling centre
iv) Training of farmers in good hygienic practices/ good manufacturing practices.
v) Training of farmers for animal rearing/husbandry practices
vi) Training of Dairy Personnel/milk tester (including Plant and Marketing staff)
vii) Training of Management Committee Members & Board of Directors of Union
viii) Institutional skill development (by implementing agencies)
ix) A.H/ Dairy Extension activities (including ration balancing programme, use of area specific mineral mixture, Azolla cultivation).

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13.2.13 Working Capital (including purchase of milk powder, packaging material, cattle feed and fodder) - Limited to not more than procurement price for 21 days of the targeted milk procurement.

13.2.14 Rehabilitation of defunct/sick milk unions/federations

i) Outstanding milk bill payments.

ii) Working capital for purchase of milk, cattle feed and packaging material - Equivalent to not more than cost of 21 days of targeted milk procurement

iii) Strengthening of plant building and plant & machinery.

13.2.15 Planning and Monitoring

i) **Pre-project Baseline survey** (by independent agency) and preparation of **project report**

ii) **Concurrent evaluation** and in-depth independent evaluation of the project and **Post-project impact assessment survey**

13.2.16 Centralised MIS facility for DADF, Government of India for improved monitoring and control in implementation of projects under the scheme.

[Note – All or some of the above Major components as per actual needs of the project areas shall be considered for funding under the projects under NPDD. This list provides for major components along with their sub-components.]

14. Maximum project cost will be:

- Rs. 25 Crore for projects with processing capacity of 1 Lakh Litre Per Day, and
- Rs 15 Crores for projects with processing capacity upto 50 Thousand Litre Per Day.
- Rs. 10 Crore for projects with processing capacity upto 20 Thousand Litre Per Day.

15 PROJECT PREPARATION AND SUBMISSION OF PROPOSAL

15.2 A Situation Analysis shall be undertaken and shall include: a) Pre project Base line Survey by an independent Agency; b)funding under earlier programmes, c) role and capabilities of different players ; and d)area of operation etc.

15.3 The Project/subproject Proposals under NPBBDD shall ensure optimal resource utilization and shall discourage avoidable expenditure and duplication/ overlap of activities.

15.4 Special efforts must be made to re-commission idle equipment and equipment that is damaged but repairable. Proposal for fresh procurement shall be made only after making a realistic need assessment.

15.5 Under NPDD, the proposal may be prepared by furnishing requisite information as per prescribed Factsheet and Annexure I to Annexure XVII of the guideline. Guideline/ procedure for preparing of a new project proposal along with prescribed annexure I to XVII may be obtained from the DADF website. Essentials of preparation of new project proposals and detailed project report is given at Annexure F

15.6 The SIAs shall formulate a single comprehensive proposal for the State covering the requirement of the State and including the Projects/ Sub-Projects of the EIAs .

15.7 Six copies of the Detailed Project Report should be submitted to DAHDF timely, for appraisal and approval by the Project Sanctioning Committee.

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List of Training Institutes to be covered under Skill Development under NPDD

Following training centres may be upgraded on mutually agreed terms and conditions between respective SIA and Administrative Body of training centres:

1. Training institutes of Central/State Agriculture/Veterinary/Dairy Science University/ Colleges.
2. Training centres of Krishi Vighyan Kendras
3. Training centres of Department of Animal Husbandry/Dairy Development of the State.
4. Training centres of State Milk Federations/District Milk Unions
5. Training centres of Milk Producer Companies

Note: Upgradation/strengthening of above training centres shall be taken up with the purpose of conducting/holding training of milk producer members of dairy cooperatives/ PRIs for a period of 3 years or more during implementation of the project under NPDD. SIA and Administrative Body of training centres may make such arrangement on mutually agreed terms and conditions.

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Annexure-B

Essentials of State Breeding Policy and Action Plan

1. The breeding policy should be dynamic and, interalia, cover the areas of: demand of milk, requirement of draught animal power for agricultural and transportation purposes, need to conserve breeds and breeding tracts, farming systems, production environments and availability of inputs as well as marketing channels.

2. The action plan may include study of areas not covered under AI with a view to obtain a clear picture of natural mating systems so that a programme of phasing out of scrub bulls can be taken up by castration of scrub bulls and their replacement with good quality bulls of a suitable breed or increasing acceptance of AI. An effort may have to be made to propagate the advantages of AI among the farmers.

3. The action plan will also have to address the issue of sourcing quality bulls of each category/genetic make-up, and identify either breeding tracts or breeding farms from where such bulls can be obtained. Simultaneously programmes are proposed to be taken up for production of quality bulls for natural service during the proposed scheme.

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Annexure-C

ORGANOGRAM
NATIONAL PROGRAMME FOR BOVINE BREEDING

Project Head Quarter
DAHDF

PSC
CMUs
SOPs/MSP

State Government

- Notification of Breeding Policy
- Recommendation of proposal

State Implementing Agency (SIA)

Formulation of proposal
Receive project grants directly from HQ
Channelize grant to EIAs
State level review committee
Submission of UC/Annual report/audit report through State Government

END IMPLEMENTING AGENCIES

DAH

- Monitoring of: govt AIC, AITS
- Distribution of LN and semen in States not constituted LBD
- Estab/monitoring of MAITRI

State Livestock Development Board

- **Distribution of semen and LN**
- **Estab/monitoring of MAITRI**
- **Bull production NS**
- **Bull procurement for AI & NS**
- **AITS**
- **Dev of indigenous breeds**

State Milk Federation

- **Estab/monitoring of MAITRI**
- **Bull production programme for NS**
- **Management of AITS**
- **Dev of indigenous breeds**

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Annexure D

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ORGANOGRAM
NATIONAL PROGRAMME FOR DAIRY DEVELOPMENT

Project Head Quarter
DAHDF

PSC
CMIS

State Government

- Recommendation of proposal and Dairy Development Work Plan
- Notification of State level Technical Management Committee

State Implementing Agency (SIA)

- Finalization of Dairy Development Work Plan
- Formulation of proposal
- Receive project grants directly from HQ
- Channelize grant to EIAs
- State level Technical Management Committee meetings and monitoring of project activities w.r.t. project outcome parameters/deliverables
- Submission of UC/Annual report/audit report through State Government

END IMPLEMENTING AGENCIES

Deptt. of AH/ Dairy Development

Monitoring of dairy development work plan

District Rural Development Authority/Distt Management Unit

- **Implementation of project activities as per approved work plan**
- **Management of bulk milk coolers (BMC)**
- **Ensuring organization of village level PRIs**
- **Ensuring supply of chilled milk to Milk unions/milk processing units of Milk Producer Companies**
- **Creating awareness of cooperative dairying among milk producers and consumption of pasteurized milk among milk consumers**

State Milk Federation/ District Milk Union

- **Implementation of project activities as per approved work plan**
- **Management of dairy establishments**
- **Ensuring organisation of village level dairy cooperatives societies (DCS)**
- **Ensuring collection of milk from DCSs/BMCs and distribution of pasteurized milk to the consumers of the project area.**
- **Creating awareness of cooperative dairying among milk producers and consumption of pasteurized milk among milk consumers**

Details of the Activities Covered under National Programme for Bovine Breeding (NPBB) and Mode of Implementation

- **Streamlining Storage and Supply of Liquid nitrogen:**

It is proposed that the gains made during implementation of National Project for Cattle and Buffalo Breeding in streamlining supply of liquid nitrogen will be consolidated further. Infrastructure for bulk transport, bulk storage and supply of liquid nitrogen will be created under the component. Funds will also made available to the hilly and North Eastern States for procurement of LN plant.

- **Bull Production Programme:**

This component will be undertaken to produce bulls only for natural service. Component is proposed to be accomplished through field performance recording programmes by State Implementing Agencies, Dairy Cooperatives, Breeders Associations and other agencies. Under the component identification and tagging of superior germplasm and rearing of male claves suitable for breeding at calf rearing centres up to breeding age will be done. Incentive to the farmers is also proposed under the component. Bulls of mainly indigenous breeds will be produced under the component. Agencies engaged in bull production programme for natural service will strictly adhere to Standard Operating Procedure for production of bulls for natural service.

- **Distribution of Disease Free Bulls of known Genetic Merit for Natural Service:**

Quality bulls for natural service will be distributed in the areas which are not under AI coverage. Some of the owners of indigenous breeds in the breeding tract do not accept AI for breeding their animals and resort to natural mating. Quality breeding bulls will be provided to these breeders to avoid degeneration of their stock. Bulls for natural service will be sourced from the progeny testing areas covered under National Dairy Plan-I and bull production programme proposed to be taken up under National Programme on Bovine Breeding (NPBB). Bulls will be given to bull keepers indentified by Gram Panchayats on 50% subsidy basis. Funds are also proposed under the component for regular testing of bulls against Brucellosis, Tuberculosis, Johnes disease, etc. All the bulls proposed to be provided under the component will be insured for a maximum of three year. In order to avoid inbreeding bulls for natural service are proposed to be rotated between villages after every three years.

- **Quality Control of Goods and Services at Sperm Stations, Semen Banks and Training Institutions:**

This is proposed to be achieved through formulation of SOPs and MSPs and evaluation of semen stations, semen banks and training centres by CMUs. Strengthening of A & B graded semen stations will be covered under NDP-I. Semen produced by C &D graded semen stations will not be utilized under NPBB. States maintaining C & D graded semen stations will be requested to upgrade the quality of semen station to A& B or to lose the operation of these stations and to procure semen straws from A & B graded semen stations for use in breeding programme supported under NPBB.

- **Extension of Private Mobile AI Practice for Door-Step Delivery:**

This is proposed so that private mobile AI practice for door-step delivery will be further extended by introduction of 30,000 new private AI workers. This will be accomplished by extensive training in AI, support for acquisition of equipments, tapering grants during initial practice period, performance linked incentives and provision for regular delivery of frozen semen and liquid

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Krishi Bhawan, New Delhi

nitrogen at cost. Private AI workers will be trained at accredited training centres. The basic training will not be less than 3 months and not more than 6 months. Uniform training module for training of private AI workers will be development in consultation with the experts from States, NGOs and NDDB. Private AI workers will be established through service providers engaged by the participating States. It is proposed that initially private AI worker proposed to be established under NPBB will be under the control of service providers and after 3-5 years these workers will be managed by Panchayati Raj Institutions. Private AI workers proposed to be established under NPBB will be multipurpose workers along with AI they will take up veterinary first aid, vaccination, agent for livestock insurance, ration balancing, milk recording, data entry in national database, agent for distribution of fodder seeds root slips and stem slips etc. Demonstration on feed management, health management breeding management is also proposed to be conducted through these private AI workers under NPBB. Local resource person(LRP) proposed to be established under NDP-I will also be considered during establishment of private AI workers.

- **Replacement of Equipments and Cryocontainers at AI centre:**

Cryocontainers and AI kits need replacement after every 5 years in order to maintain quality of breeding programme. Funds are proposed under the project for replacement of cryocontainers and AI kit (AI kit bag, straw cutter, thermometer, thawing kit, AI gun, AI gun holder, AI sheath holder, dip stick, stove, thermos flask etc).

- **Control of Infertility among Bovines:**

This is proposed to be achieved through organization of fertility camps, farmers training programme. Funds are required under this component to purchase medicines including hormones to control infertility among dairy animals. Each State will be requested to train at-least 50 male farmers and 50 female farmers during the camp. **Estrus synchronization** will be also be taken up in some areas of advanced dairy States on pilot basis under the component. States will be

- The project will also sanction any other component not listed above but considered essential and consistent with its objectives for successful implementation of the project.

- Following priorities are set for implementation of the scheme during current year:

  a) Strengthening existing semen stations graded as C & D by CMU
  b) Streamlining LN storage, transport and distribution system
  c) Training and retraining of existing private AI worker to establish them as multipurpose worker
  d) Development and conservation of indigenous bovine breeds including Mithuns
  e) Establishment of private AI workers in areas not covered under AI
  f) Procurement of bulls for natural service
  g) Testing and registration of bulls used in natural service

(K. C. PATRA)
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Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

Annexure F

Essentials for preparing and applying for financial assistance under "National Programme for Dairy Development (NPDD)"

The new project proposal would comprise of following:-

1. Background for dairy development in the State as a whole, the project districts giving details of prevailing milk procurement, processing and distribution, marketing system justifying the need for a new project.

2. Profile of the implementing agency.

3. Baseline survey shall evaluate dairy development potential, infrastructural facilities available and market demand of milk of the proposed project area. The report providing an executive summary, basis of selection of district/Block/village etc, methodology and outcome of the survey. The outcome of the survey report should invariably be used for setting up of project targets.

4. Technical aspects of the project proposal explaining requirement of each and every components/items supported with figures and justification. The content would also cover a brief breeding plan during project period.

5. There are seventeen annexure to be filled up for preparing new project proposals. Among these, annexure-I to VII requires primary data of the project area & the State, which are to be validated by the agency conducting baseline survey. Annexure–VIII to XVII requires information on project activities, project operation cost estimates, etc. There are to be prepared based on the outcome of the survey and data available with the Implementing agency/State Government. Annexure may be downloaded from the website of the Department.

6. A map of project districts locating the project area, milk routes, existing & proposed Animal Husbandry & Dairy Infrastructure including dairy & chilling plants, BMCs, DCS (with dots) etc to give a fair idea about the project.

Procedure for Applying: District wise project to be prepared based on a baseline survey (conducted by an independent agency) and as per guidelines of the Scheme and to be submitted through the concerned State Government. A project may include one to five districts depending upon the capability of implementing agency to be implemented in a period of three to five years. Project proposal comprising of detailed project report (DPR) and baseline survey report shall be submitted to the Joint Secretary (Dairy Development) to the Government of India, Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, Krishi Bhawan, New Delhi.

(K. C. PATRA)
Under Secretary
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Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

OPERATIONAL GUIDELINES FOR IMPLEMENTATION OF RASHTRIYA GOKUL MISSION

'Rashtriya Gokul Mission' (RGM), aimed at conservation and development of indigenous bovine breeds, will be implemented as a part of Centrally Sponsored Scheme "National Programme for Bovine Breeding and Dairy Development".

1. OBJECTIVES :

a) To undertake breed improvement programme for Indigenous Breeds so as to improve the genetic makeup and increase the stock.

b) To enhance milk production and productivity of Indigenous Bovines.

c) To upgrade nondescript cattle using elite indigenous breeds like Gir, Sahiwal, Rathi, Deoni, Tharparkar, Red Sindhi.

d) To distribute disease free high genetic merit bulls of indigenous breeds for natural service.

2. DURATION OF THE PROJECT:

Rashtriya Gokul Mission will be implemented throughout the country during 12^{th} Five Year Plan (2014-2017) as a part of National Programme for Bovine Breeding and Dairy Development (NPBBDD).

3. SCOPE AND AREA OF OPERATION:

3.1 **Area:** Rashtriya Gokul Mission will be implemented throughout the country.

3.2 **Scope:** All components of NPBB will be eligible for financing under RGM.

4. FUNDING PATTERN:

4.1 RGM provides for 100% grant-in-aid for all eligible components. Any other activity which is essential and critical to the Project and RGM may also be considered.

5. IMPLEMENTING AGENCIES:

5.1 State Implementing Agencies (SIA's) - State Livestock Development Boards

5.2 End Implementing Agencies (EIA's) -

- State Livestock Development Boards
- State Animal Husbandry Departments,
- State Milk Federations
- CFSP&TI, CCBFs

(K. C. RATRA)
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5.3 Participating Implementing Agencies (PIA's)- Other agencies having a role in Bovine Development like, ICAR, Universities, Colleges, institutions. PIAs will submit Projects in financial and technical association with EIA's

6 BREEDING POLICY FOR BOVINES AND ATTENTION TO INDIGENOUS BREEDS.

RGM will be implemented in the states which have notified a dynamic breeding policy and a definite action plan to operationalise the policy.

7. INSTITUTIONAL SET UP FOR IMPLEMENTATION UNDER NPBBDD:

7.1 Funds will be released to State Implementing Agencies(SIA's).

7.2 The SIAs will submit proposal on the behalf of all Agencies and as well as channelize funds to the End Implementing Agencies (EIA's). Organogram for implementation of the Scheme is at **Annexure-A.**

8. SUPPLEMENTATION OF FUND-FLOW FROM SOURCES OTHER THAN NPBBDD:

8.1. The States may augment fund flow from their own resources towards recurring and maintenance costs.

8.2. It is also expected that every effort at convergence would be made in the project formulation by the States utilizing sources such as RKVY and multidisciplinary schemes of Ministry of Rural Development, Department of Agriculture & Cooperation, Department of Women & Child Development, Department of Biotechnology etc.

9. INSTITUTIONAL MECHANISM FOR REVIEW AND MONITORING:

9.1 **Central Level monitoring by DAHDF, Government of India:** State will use Management Information System (MIS) to submit reports viz. Monthly Progress Report (MPR), and Quarterly Progress Report (QPR) to Government of India as per prescribed formats, within the stipulated time frame.

9.2 **CMUs and SMUs:** Central Monitoring Unit (CMU) and State Monitoring Units (SMU) will be constituted by the DADF and the SIA's respectively.

9.3 **State Level Monitoring by Technical Management Committee:** Meeting of the governing body of the EIAs/TMCs shall be held every six months to review progress of technical, physical and financial parameters.

9.4 Annual Workshop of all stake holders should be conducted by the State Monitoring and Review.

(K. C. PATRA)
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Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

9.5 All EIA's shall follow the State Procurement Procedures and Guidelines.

9.6 Audited Annual Progress Report in the prescribed format shall be published by the EIAs within the prescribed time frame and circulated to all concerned.

10 MEASURES TO ENSURE QUALITY OF GOODS AND SERVICES

10.1 Standards and specifications in the form of MSPs/SOPs formulated by Government of India shall be implemented in letter and spirit.

10.2 Standards formulated by BIS for cryocontainers, castrators, AI consumables; feed, machinery, equipments etc shall be followed.

11 ACTIVITY COMPONENTS TO BE FUNDED

The list of activities eligible for funding is as follows:

(a) Strengthening of bull mother farms for conservation high genetic merit indigenous bovine Breeds.

(b) Assistance to Institutions/Institutes which are repositories of best germplasm.

(c) Implementation of Pedigree Selection Programme for the Indigenous Breeds with large population.

(d) Induction of disease free high genetic merit bulls of indigenous bovine breeds for natural service.

(e) Establishment of Breeder's Societies ***("Gopalan Sangh")***.

(f) Heifer rearing programme.

(g) Establishment of Field Performance Recording (FPR) in the breeding tract.

(h) Incentive to farmers maintaining elite animals of indigenous bovine breeds.

(i) Organization of Milk Yield Competitions.

(j) Award to Breeders' Societies (***"Kamadhenu"***)

(k) Establishment of Village level Integrated Indigenous Cattle Centres viz*"Gokul Gram"*: will be covered under the component "any other activity" related to cattle and buffalo development.

(l) Organization of Training Programme for technical and non technical personnel working at the Institutions engaged in cattle development.

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12 PROJECT PREPARATION AND SUBMISSION OF PROPOSAL

12.1 A Situation Analysis shall be undertaken and shall include:

a) Pre project survey;
b) Funding under earlier programmes,
c) Role and capabilities of different players ; and
d) Area of operation etc.

12.2 The Project/subproject Proposals under RGM shall ensure optimal resource utilization and will discourage avoidable expenditure and duplication/ overlap of activities.

12.3 Special efforts will be made to re-commission idle equipment and equipment that is damaged but repairable. Proposal for fresh procurement shall be made only after making a realistic need assessment.

12.4 The SIA's will formulate a single comprehensive proposal for the State taking into account the requirement of the State for conservation and development of indigenous bovine breeds.

12.5 Six copies of the Detailed Project Report should be submitted to Government of India timely, for appraisal and approval by the Project Sanctioning Committee.

(K. C. PATRA)
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Annexure-A

ORGANOGRAM
RASHTRIYA GOKUL MISSION

Project Head Quarter DAHDF

- PSC
- CMUs
- SOPs
- MSP

State Government

- Notification of Breeding Policy
- Recommendation of proposal

State Implementing Agency (SIA)

- Formulation of proposal
- Receive project funds through State Government
- Channelize funds to EIAs
- State level review committee
- Submission of UC/Annual report/audit report through State Government

END IMPLEMENTING AGENCIES

DAH

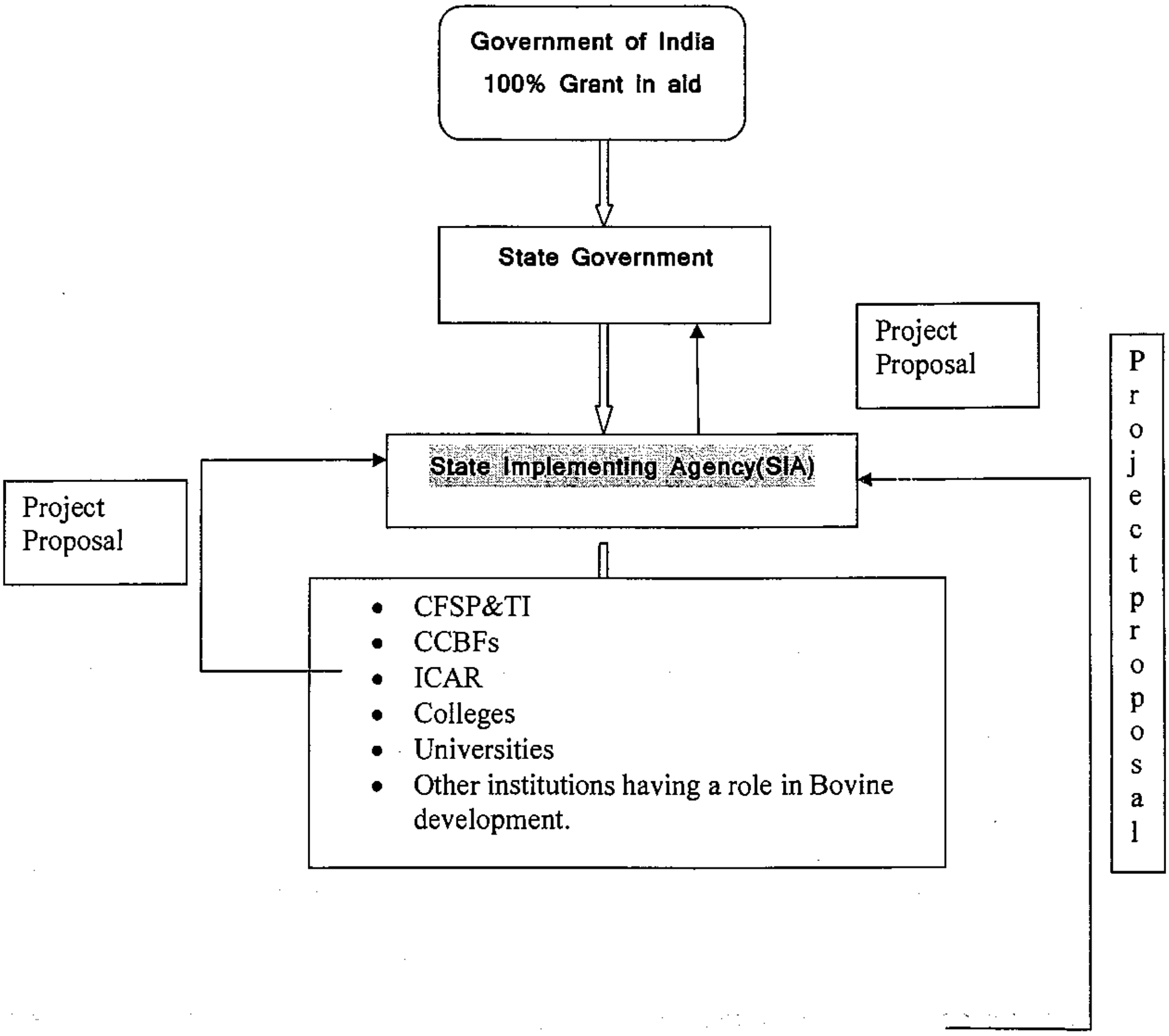
- Monitoring of: the Scheme

State Livestock Development Board

Milk Fed

(K. C. ...)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan

SCHEMATIC FUND FLOW DIAGRAM



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Under Secretary
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Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
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Land required for establishment of Gokul Gram

S. No.	Infrastructure	Unit	Land Required (in sq m)
1.	Cattle Sheds	For 1000 animals 20sq m/animal	20,000
2.	Calf Pens	For 600 calves 10 sq m/calf	6000
3.	Isolation shed	200 sq m for 10 animals	200
4.	Administrative block	300 sq meter	300
5.	Fodder store room	300 sq meter	300
6.	Feed store room	200 sq meter	200
7.	Open Paddock for animals	30 sq meter /animal	48000
8.	Veterinary dispensary	100 sq meter	100
9.	Bio gas plant	1000 sq meter	1000
10.	Manure pits	2000 sq meter	2000
11.	Silage pits	3000 sq meter	3000
12.	Lab(urine distillation)	1000 sq meter	1000
13.	Water body	4000 sq meter	4000
14.	Fodder Block making Unit	1000 sq meter	1000
15.	Vermi compost pits	4000 sq meter	4000
16.	Garage for tractor and other equipments	500 sq meter	500
17	In-house fodder production	half acre /adult animal	2023428
	Total		2115028

Note: Total Land required comes to 522 acres to maintain 1000 animals at Goukul Gram.

(K. C. PATRA)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

Urgent
By Speed Post

2-47/2009-AHT (FF)/ NLM Vol.III
Government of India
Ministry of Agriculture and Farmers Welfare
Department of Animal Husbandry, Dairying & Fisheries

Krishi Bhawan, New Delhi
Dated: 11th April, 2016

To,

The Chief Secretary/ Administrator,
All States & Union Territories.

Subject: Administrative approval for the implementation of Centrally Sponsored Scheme- "National Livestock Mission" during 2016-17 - reg.

Sir,

I am directed to convey Administrative Approval of Government of India for implementation of Centrally Sponsored Scheme- "**National Livestock Mission**", hereinafter referred to as "Mission" for brevity, to States/ UTs with an outlay of **Rs. 29200 lakhs (Rs. Twenty Nine Thousand Two Hundred Lakhs only)** during the financial year 2016-17 with immediate effect.

2. 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 is comprised of following four Sub-Missions:

a) **Sub-Mission on Livestock Development**
The Sub-Mission on Livestock Development includes activities to address the concerns for development of livestock species, other than cattle and buffalo, with a holistic approach covering poultry as well. Risk Management (Livestock Insurance) component of the Sub-Mission will, however, cover the indigenous / crossbred milch animals, pack animals (Horses, Donkey, Mules, Camels, Ponies and Cattle and Buffalo males) and Other livestock (Goat, Sheep, Pigs, Rabbit, Yak and Mithun).

b) **Sub-Mission on Pig Development in North-Eastern Region**
There has been persistent demand from the North Eastern States seeking support for all round development of pigs in the region. Therefore, pig development in the North Eastern Region is being taken up as a Sub-Mission of NLM. The Sub-Mission will stride 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.

c) **Sub-Mission on Fodder and Feed Development**
The Sub-Mission will try to address the problems of scarcity of animal feed resources, in order 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 specially focus on increasing both production and productivity through adoption of improved and appropriate technologies best suited to specific agro-climatic region in both arable and non-arable land.

(R. S. JAYAL)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A.H.D.F.

d) **Sub-Mission on Skill Development, Technology Transfer and Extension**
The extension machinery at field level for livestock activities need immediate strengthening. As a result, farmers are not able to adopt the technologies developed by research institutions. The emergence of new technologies and practices require linkages between stakeholders. The Sub-Mission will provide a platform to develop or adapt the knowledge in collaboration with farmers, researchers and extension workers, wherever it is not possible to achieve through existing arrangements.

3. The revised Operational Guidelines along with detailed pattern of assistance will follow. Piecemeal proposals and untimely submission of proposals must be avoided. The consolidated proposal submitted by the State Governments may be in the form of an Annual Action Plan, based on the Guidelines of NLM and 4 copies of the proposal may be submitted alongwith softcopy.

4. The funding of the Sub- Mission mentioned under 2(a) to (d) in para (2) shall be in the sharing ratio of 60:40 between the Centre and the States for those schemes for which the Central share was higher earlier. However, for those scheme for which the Central share was 60% or lower the same will continue as per the existing Guidelines. Further for the eight North-Eastern and three Himalayan States this ration of sharing between Central and State will be 90:10. It is clarified that in these eight North Eastern States and three Himalayan States for those schemes for which the Central Share was 90% or lower the same will continue as per the existing Guidelines. Similarly for Union territories, the Centrally Sponsored Schemes will be funded 100 percent by the Central Government except for those schemes for which the Central share was lower than 100%, the same will continue as per the existing Guidelines.

5. Department of Animal Husbandry, Dairying and Fisheries reserves the right to modify, add, delete any term/ conditions without assigning any reason and its interpretation of various terms will be final. Department of Animal Husbandry, Dairying and Fisheries reserves the right to recall any amount given under the scheme without assigning any reason thereof.

6. Due to budget constraints, the prioritization of components to be covered may be done.

7. The State Government may ensure that, funds provided under the Special Component Plan for SCs (SCPSC) are used for the specific purpose. Where separate funds for Scheduled Tribes, women beneficiaries and for physically challenged/ differently-abled persons have not been provided, efforts may be made to cover 8%, 30% and 3% of the budget allocation respectively, as far as possible for the said categories. Further, landless farmers, small and marginal farmers may be given preference in selection of beneficiaries.

8. It has been decided to integrate under Direct Benefit Transfer (DBT) all transactions and benefits transferred, whether cash, infrastructure, goods and services under various components of National Livestock Mission (NLM). This is done to enable transparency and traceability of all benefits provided to the end beneficiary. Kindly integrate the Public Financial Management System (PFMS) and DBT, where applicable, for infrastructure development and for beneficiary-oriented components where cash, goods or services is transferred/ provided respectively. 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

(...AYAL)
... Secretary

subjected to any disadvantage. Other acceptable ID criteria like BPL register may be used in cases UID not issued. Similarly, for funds channelized through NABARD for bankable projects under Entrepreneurship Development and Employment Generation (EDEG) component of NLM, DBT/ linkage to AADHAR need to be done.

9. National/ State environmental & pollution control laws/ Rules/ Regulations should be complied with. The signboard at implementation site must also display - "Assisted by Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture, Government of India".

10. Proposals, Utilization Certificate, Physical Progress Report and other relevant correspondences complete in all respects may please be forwarded to Joint Secretary (ANLM), Ministry of Agriculture Department of Animal Husbandry, Dairying and Fisheries Room No. 189-A, Krishi Bhawan, New Delhi-110001.

11. This issues with the approval of AS&FA's vide Diary no. 22/AS&FA dated 11.04.2016

(R.S. Jayal)
Under Secretary to the Govt. of India

(R. S. JAYAL)
Und r Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

<u>Copy forwarded for information and necessary action to:</u>

1. Principal Secretary / Secretary, Animal Husbandry of all States & UTs.
2. Principal Secretary / Commissioner / Secretary, Dairy Development of all States & UTs.
3. APC / Principal Secretary / Secretary, Department of Agriculture, all States & UTs.
4. Principal Secretary /Commissioner / Secretary, Ministry of Finance, all States & UTs.
5. Principal Secretary / Secretary, Panchayati Raj, all States & UTs.
6. Principal Secretary / Secretary, Department of Forests, all States & UTs.
7. Commissioner / Director of Animal Husbandry & Veterinary Services of all States & UTs.
8. Chief Executive Officer, Livestock Development Board/ Agencies of all States & UTs.
9. Commissioner / Managing Director of Dairy Development/ Milk Federation of all States & UTs.
10. Principal Chief Conservator of Forest of all States / UTs.
11. Advisor (Agriculture), Planning Commission, Yojana Bhawan, New Delhi.
12. Secretary to Ministry of Environment and Forests, Ministry of Environment & Forests, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi - 110 003.

(R. S. JAYAL)
Und r Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries

13. Chief General Manager, Animal Husbandry / technical Services Department, National Bank for Agriculture & Rural Development (NABARD), C-24, "G"-Block, Bandra-Kurla Complex, Bandra East Mumbai 400 051.
14. Chairman, NDDB, Anand, Gujarat.
15. Managing Director, NDDB, Anand, Gujarat.
16. Secretary, Department of Agriculture &Cooperation, Krishi Bhawan, New Delhi.
17. Secretary, Deptt. Of Agricultural Research and Education, and DG, ICAR, Krishi Bhawan, New Delhi.
18. Secretary to Ministry of Panchayati Raj, Krishi Bhawan, New Delhi.
19. Secretary to Ministry of Women and Child Development, Shastri Bhawan, A - Wing, Dr. Rajendra Prasad Road, New Delhi-110001.
20. **Secretary to Ministry of Development of North Eastern Region, Vigyan Bhawan Annexe, Maulana Azad Road, New Delhi – 110011.**
21. Secretary to Department of Food and Public Distribution, Krishi Bhawan, New Delhi.
22. Secretary to Ministry of Rural Department, Krishi Bhawan, New Delhi.
23. Secretary to Ministry of Tribal Affairs, Shastri Bhawan, A - Wing, Dr. Rajendra Prasad Road, New Delhi, 110001.
24. Secretary to **Ministry of Minority Affairs, 11th Floor, Paryavaran Bhawan, CGO Complex, New Delhi-110003.**
25. **Chairman cum Secretary, Agricultural & Processed Food Products Export Development Authority,** NCUI Building 3, Siri Institutional Area, August Kranti Marg, New Delhi - 110016, **India.**
26. Principal Pay & Accounts Office, 16-A, Akbar Road Hutments, New Delhi.
27. Pay & Accounts Officer, Department of Agriculture, Krishi Bhawan, New Delhi.
28. Directors of all central Organizations-RFS,CPDOs and CSBF
29. PAOs of concerned Central Organizations.
30. Directors, Central Organizations, Government of India.
31. PPS to Secretary (ADF), Krishi Bhawan, New Delhi.
32. PPS to AS&FA, DADF, Krishi Bhawan, New Delhi.
33. PSs to AHC / JS(APF) & Mission Director / JS(CDD) / JS(Fy.) /JS (LH).
34. Director (Budget)/ US (Finance) Department of Animal Husbandry & Dairying, Krishi Bhawan, New Delhi.
35. Dir (FF)/DS (GC)/AD (PC)/Guard File.

(R.S. Jayal)
Under Secretary to the Govt. of India

(R. S. JAYAL)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

No.99-1/2016/NLM/Budget/Statewise Allocation
Government of India
Ministry of Agriculture and Farmers Welfare
Department of Animal Husbandry, Dairying and Fisheries

Krishi Bhawan, New Delhi.
Dated the 11th April, 2016.

OFFICE MEMORANDUM

Subject: State-wise allocations for Centrally Sponsored Schemes of National Livestock Mission for the year 2016-17.

The undersigned is directed to convey the indicative State-wise allocations for Centrally Sponsored Scheme of National Livestock Mission (NLM) for the year 2016-17 against a budgetary proposal of ₹.292.00 crores which is to be placed before Parliament, as per table below:

State / UT	Proposed Allocation of funds (₹ in Lakhs)
Andaman & Nicobar Islands	10
Andhra Pradesh	860
Bihar	1238
Chandigarh	10
Chhattisgarh	688
Dadra &Nagar Haveli	10
Daman & Diu	10
Goa	10
Gujarat	1225
Haryana	493
Himachal Pradesh	180
Jammu & Kashmir	260
Jharkhand	630
Karnataka	873
Kerala	105
Lakshadweep	10
Madhya Pradesh	1670
Maharashtra	1340
Odisha	780
Punjab	460
Rajasthan	1735
Tamil Nadu	704
Telangana	617
Uttar Pradesh	3042
Uttarakhand	190
West Bengal	1100
NER States	
Arunachal Pradesh	270
Assam	1064
Manipur	200

(R. S. JAYAL)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A.H.D. & Fisheries
Krishi Bhawan, New Delhi

Meghalaya	266
Mizoram	200
Nagaland	225
Sikkim	205
Tripura	270
UTs with Legislatures	
NCT of Delhi	25
Puducherry	25
NABARD	
NABARD Grants-in-aid General	6100
NABARD SCSP	500
NABARD NER States	1600
TOTAL	**29200**

2. It is to be noted that the above are only indicative allocations and are subject to modifications and changes according to Regular Budgetary Allocations for 2016-17 and also taking into account the pending unspent balances for States / UTs.

3. The State Government may ensure that, 16.2% of budget allocations be made specifically for Scheduled castes or funds under the Special Component Plan (SCPSC). Similarly for Scheduled Tribes, women beneficiaries and physically challenged/ differently-abled persons efforts may be made to cover 8%, 30% and 3% of the budget allocation respectively, as far as possible.

4. For implementation of Entrepreneurship Development Employment Generation (EDEG) component of NLM, the State government will constitute a State Level Sanctioning and Monitoring Committee which shall collect information on the applications pending with banks or scout the beneficiaries, approve the projects and monitor progress of actual disbursements. The funds under this component are released to NABARD as indicated above, and NABARD will further equate the funds States / UT wise at their discretion taking into consideration of pending subsidy claims.

5. If viable proposals are not received from all States / UTs within the first quarter of the Financial Year, this Department / NABARD may re-allocate the funds between States / UTs having more demand.

6. Department of Animal Husbandry, Dairying and Fisheries reserves the right to modify, add, delete any term / conditions without assigning any reason and its interpretation of various terms will be final. Department of Animal Husbandry, Dairying and Fisheries reserves the right to recall any amount given under the scheme without assigning any reason thereof.

7. Any correspondences/ queries may please be forwarded to Mission Director(NLM) / Joint Secretary (ANLM), Ministry of Agriculture & Farmers Welfare, Department of Animal Husbandry, Dairying and Fisheries, Room No. 189-A, Krishi Bhawan, New Delhi-110001.

8. This issues with the approval of the competent authority.

(R. S. Jayal)
Under Secretary to the Govt. of India

<u>**Copy forwarded for information and necessary action to:**</u>

1. Chief Secretary / Principal Secretary / Secretary, Animal Husbandry of all States & UTs.
2. Commissioner / Director of Animal Husbandry & Veterinary Services of all States & UTs.
3. Chief Executive Officer, Livestock Development Board/ Agencies of all States & UTs.
4. Chief General Manager, Animal Husbandry / Technical Services Department, National Bank for Agriculture & Rural Development (NABARD), C-24, "G"-Block, Bandra-Kurla Complex, Bandra East Mumbai 400 051.
5. Directors, Central Organizations (CPDOs, CSBF, RFSs), Government of India.
6. PPS to Secretary (ADF), Krishi Bhawan, New Delhi.
7. PPS to AS&FA, DADF, Krishi Bhawan, New Delhi.
8. PSs to AHC / JS(ANLM) & Mission Director / JS(CDD) / JS(Fy.) / JS(LH).
9. Director (Budget) / US (Finance) Department of Animal Husbandry & Dairying, Krishi Bhavan, New Delhi.
10. Dir (FF) / Dir (GC) / AD (PC) / Guard File.

(R. S. Jayal)
Under Secretary to the Govt. of India

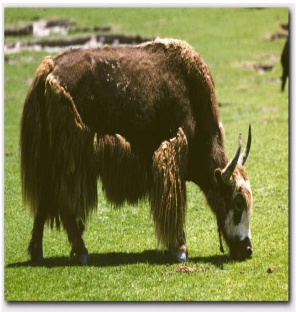
(R. S. JAYAL)
Und r Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

NATIONAL LIVESTOCK MISSION

OPERATIONAL GUIDELINES

(REVISED AS ON 27.04.2016)




Government of India
Ministry of Agriculture and Farmers Welfare
Department of Animal Husbandry, Dairying & Fisheries
Krishi Bhavan, New Delhi.

CONTENTS

Abbreviations Used

AHD- Animal Husbandry Department

AI- Artificial Insemination

APEDA- Agricultural and Processed Food Products Export Development Authority

ARTs- Assisted Reproduction Technologies

ATMA- Agricultural Technology Management Agency

AV- Audio-Visual

BDO- Block Development Office

BPL- Below Poverty Line

CAFÉ- Capacity Building of Farmers in Agriculture for Farmer-Led Extension

CEO- Chief Executive Officer

CFSPF- Central Fodder Seed Production Farm

CGU- Central Grower Unit

CLRI- Central Leather Research Institute

CPR- Common Property Resources

CS- Central Sector Scheme

CSF- Classical Swine Fever

CSS- Centrally Sponsored Scheme

DAHDF/ DADF- Department of Animal Husbandry, Dairying & Fisheries

DIL- Disease Investigation Laboratory

DLMC- District Livestock Mission Committee

DoAC- Department of Agriculture and Cooperation and Farmers Welfare

DRDA- District Rural Development Agency

EC- Executive Committee

EDEG- Entrepreneurship Development and Employment Generation

FMD- Foot and Mouth Disease

FO- Farmers Organizations

FPO- farmers' Producers Organization

GC- General Council

GFR- General Financial Rules

GoI- Government of India

HoD- Head of Department

ICAR- Indian Council of Agriculture Research

ICT- Information and Communications Technology

ID- Identification Number

IDSRR Integrated Development of Small Ruminants and Rabbits

IEC- Information, Education and Communication

JFM Committee- Joint Forest Management Committee

JLG- Joint Liability Group

KVK- KrishiVigyan Kendra

LEF- Livestock Extension Facilitator

LFG- Livestock Farmers Groups

LWE States- Left-Wing Extremism States

MIS- Management Information System

MNREGA- Mahatma Gandhi National Rural Employment Guarantee Act

MoEF- Ministry of Environment and Forests

MoU- Memorandum of Understanding

MT- Metric Tonnes

NABARD- National Bank for Agriculture and Rural Development

NADRS- National Animal Disease Reporting System

NBAGR- National Bureau of Animal Genetic Resources

NDDB- National Dairy Development Board

NGO-Non-governmental organization

NLM- National; Livestock Mission

NMPS- National Mission for Protein Supplements

PigD- Pig Development

PLP- Potential Linked Credit Plan

PRI- Panchayati Raj Institutions

PVCF- Poultry Venture Capital Fund

RBI- Reserve Bank of India

RSFPD- may be read as Regional Fodder Stations (RFS)

SAU/ SVU- State Agriculture University/ State Veterinary University

SC- Scheduled Caste

SC/EMC- Sub Committee/ Empowered Committee

SCPSC- Special Component Plan for Scheduled Castes

SFCI- State Farms Corporation of India Limited

SHG- Self-help group

SIAs- State Implementing Agencies

SLBC- State Level Bankers' Committee

SLEC- State Level Executive Committee

SLM- State Livestock Mission

SMBC - Salvaging of Male Buffalo Calves

SMS- Subject Matter Specialist

ST- Scheduled Tribe

TDN- Total digestible nutrients

TSG- Technical Support Group

TSP- Tribal Sub-Plan

UC- Utilization Certificate

UID- Unique Identification Number

UT- Union Territory

VCI- Veterinary Council of India

NATIONAL LIVESTOCK MISSION

1. Introduction

1.1 The National Livestock Mission (NLM) has been formulated by subsuming and modifying 7 Centrally Sponsored and 7 Central Sector Schemes of Government of India, given under table-1.

Table 1. List of XI Plan Schemes included under the National Livestock Mission

S. No	Name of the Central Sector Schemes
1	Central Fodder Development Organisations
2	Central Sheep Breeding Farm
3	Central Poultry Development Organisations
4	Integrated Development of Small Ruminants and Rabbits
5	Piggery Development
6	Poultry Venture Capital Fund
7	Salvaging and rearing of male buffalo calves
	Name of the Centrally sponsored Scheme
1	Centrally Sponsored Fodder and Feed Development Scheme
2	Conservation of Threatened Breeds of Livestock
3	Poultry Development
4	Utilisation of Fallen Animals
5	Livestock Insurance
6	Establishment / modernization of Rural Slaughterhouses, including mobile slaughter Plants
7	Livestock extension and delivery services

1.2 The NLM will be implemented throughout India in accordance with guidelines described hereunder.

2. Mission Objectives

2.1 The NLM intends to achieve the following 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.

3. Mission Design

3.1 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.

3.2 The mission is organised into the following four Sub-Missions:

3.2.1 Sub-Mission on Livestock Development

3.2.1.1 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.

3.2.2 Sub-Mission on Pig Development in North-Eastern Region

3.2.2.1 There has been persistent demand from the North Eastern States seeking support for all round development of pigs in the region. Therefore, pig development in the North Eastern Region is being taken up as a sub- mission of NLM. 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.

3.2.3 Sub-Mission on Feed and Fodder Development

3.2.3.1 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.

3.2.4 Sub-Mission on Skill Development, Technology Transfer and Extension

3.2.4.1 The extension machinery at field level for livestock activities is not adequately strengthened. As a result, farmers are not able to adopt the technologies developed by research institutions. The adoption of new technologies and practices requires linkages between stakeholders. 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.

4. Institutional Structure

4.1 National Level

4.1.1 The General Council

4.1.1.1 The Mission will have a General Council (GC) at National level under the Chairmanship of Union Agriculture Minister. Composition of GC will be as follows:

Minister of Agriculture	:	**Chairperson**
Ministers of:- Food Processing Industries; Environment & Forests; Finance; Panchayati Raj; Rural Development.	:	Members
Secretaries of Departments / Ministries of:- Animal Husbandry, Dairying & Fisheries; Agriculture and Cooperation; Agricultural Research and Education; Food Processing Industries; Expenditure; Financial Services; Health & Family Welfare; Environment & Forests; Panchayati Raj; Rural Development;Medium, Small and Microenterprise; Development of North Eastern Region; Biotechnology.	:	Members
Representatives of:- Animal Rearers' Associations; Poultry Associations; Federations of Dairy Co-operatives; Food Processing Industry; Compounded Feed Industry (Maximum 5, to be nominated by the Chairperson).	:	Members
Joint Secretary (APF) & Mission Director (NLM).	:	**Member Secretary**

4.1.1.2 GC will be the policy formulation body giving overall direction and guidance to Mission and will monitor and review its progress and performance. GC will be empowered to lay down and amend operational guidelines, other than those affecting financing pattern. Tenure of non-official members of GC will be for 3 years from date of nomination and that for official members, till they hold the post. GC will meet minimum twice a year.

4.1.2 Executive Committee:

4.1.2.1 Executive Committee (EC), headed by Secretary, Department of Animal Husbandry, Dairying and Fisheries (DADF) will oversee activities of the Mission and approve Action Plans of various states. The EC will comprise of the following:

Secretary, Department of Animal Husbandry, Dairying and Fisheries (DADF).	:	**Chairperson**
Joint Secretaries of Departments / Ministries of:- Agriculture and Cooperation; Food Processing Industries; Environment & Forests; Panchayati Raj; Rural Development; Medium, small and microenterprise; Development of North Eastern Region; Health & Family Welfare; Expenditure; Financial Services; Biotechnology, Women & Child Development	:	Members
Financial, Planning and Technical Experts:- Financial Advisor, DADF; Advisor (Agriculture), Planning Commission; Animal Husbandry Commissioner, DADF; Deputy Director General (AS), Department of Agricultural Research and Education; Two Vice-Chancellors of Veterinary/ Animal Sciences Universities to be nominated by Chairperson.	:	Members
Institutions: - CMD, NABARD; MD, NDDB; Chairman, APEDA; CEO, FSSAI; MD, SFAC	:	Members
Principal Secretaries / Secretaries of the Department of Animal Husbandry of 5 States on rotation basis from all regions for two years each, to be nominated by the Chairperson.	:	Members
Three Experts (Livestock Production, Poultry and Animal Nutrition) to be nominated by the Chairperson.	:	Members
Joint Secretary (APF) & Mission Director (NLM).	:	**Member Secretary**

4.1.2.2 EC will formulate guidelines, and will be empowered to reallocate resources across States and components, and will approve projects in conformity with the guidelines. EC will consider and approve components of a project and include new components, if required. EC will also be empowered to approve special interventions for tackling emergent / unforeseen requirements. EC can also constitute Sub-Committee (SC) / Empowered Committee (EMC) and delegate powers to SC / EMC, as well as to State

Governments / State Animal Husbandry Department / State Livestock Mission for approving projects. Tenure of Non-official members will be for 2 years from the date of nomination; and that of official members till they hold the post, or as specified in the above table. EC will ensure smooth functional linkages among different agencies. EC shall meet as frequently, as required, minimum once in a quarter.

4.1.3 Mission Directorate

4.1.3.1 The Mission Directorate will be headed by the Joint Secretary to Government of India, in-charge of Animal Production, Poultry, and Fodder. The Mission Directorate will provide the necessary support to EC and the GC and will administer the Mission. The Mission Directorate will draw human resource from the Department in general, and if required will outsource manpower on need / task basis. Because of the enormity of the tasks involved, the Mission Directorate will require separate housing and dedicated manpower. For separate housing, Directorate of Estates will be approached failing which appropriate accommodation will be rented as per existing norms. The Mission Directorate will appraise projects received from the States, and get the approval of EC. The Chairman of EC will have powers to approve projects in anticipation of approval of EC in case the next meeting of EC is delayed.

4.2 State Level

4.2.1 State Level Executive Committee:

4.2.1.1 Respective State Governments/UTs are required to notify the State Level Executive Committee (SLEC) under Chairmanship of Chief Secretary, having representatives from other concerned Departments of State Government, the State Agricultural Universities (SAU), Institute under Indian Council of Agricultural Research (ICAR), Dairy cooperatives, Farmers' / Animal Rearers' / Poultry Associations, etc., will oversee implementation of the Mission in respective States. Central Government will nominate its representative who will be a member in the SLEC. At operational level, State Governments shall constitute and notify a State Livestock Mission (SLM) which would be an empowered body for implementing the Mission programmes at State and district levels. Principal Secretary / Secretary, Animal Husbandry will be the State Mission Director. He will also function as the Member Secretary of SLEC. The Directorate of Animal Husbandry will service the SLEC and the SLM. Panchayati Raj Institutions (PRI) existing in the State will be fully involved in implementation of the Mission.

4.2.1.2 State and sub-state level structures will be evolved keeping in view the need for getting adequate returns for livestock farmers and eliminating middlemen to the extent possible.

4.2.1.3 State Livestock Mission will have the following functions:

1. Prepare Strategic, Perspective, and Annual Action Plan in consonance with Mission's goals and objectives and in close co-ordination with Technical Support Groups, SAUs and ICAR institutes; and oversee its implementation;
2. Organize base-line survey and feasibility studies in different parts (District, sub-District, or a cluster of Districts) to determine status of fodder / livestock production, potential and demand, and tailor assistance accordingly.
3. Receive funds from National Mission Authority, State Government and other sources, pool financial resources for carrying on mission's activities, maintain proper accounts thereof and submit utilization certificate to National Mission Authority.
4. Release funds to implementing organizations and oversee, monitor & review implementation of the programmes.
5. Assist and oversee Mission's programmes being implemented through Farmers' Societies, NGOs, growers associations, cooperatives, self help groups, Farmers' Producer Organisations (FPOs), and other similar entities;
6. Organize Workshops, Seminars and training programmes for sensitization of all interest groups / associations at State / District / Sub-district level to provisions of NLM, as also for technology transfer and skill development, with the help of SAUs, ICAR Institutes, ATMAs / KVKs, Civil Society Organisations, and other institutions having technical expertise.
7. Furnish monthly progress reports to DADF and also upload same by 5th of each month, on the website of the Department / Mission.
8. Operationalise Information Communication Technology (ICT) enabled Management Information System (MIS) up to grass root level and, if need be, develop and host its own web site.
9. Supervision and monitoring of the implementing agencies.

4.3 District Level

4.3.1 At District level, District Livestock Mission Committee (DLMC) will be responsible for carrying forward the objectives of the Mission for project formulation, implementation and monitoring. Accordingly, State Government/ UT are required to issue necessary notification for constitution of DLMC which will be headed by the District Collector, having as members the Chief Executive officer (CEO) of ZilaParishad or Zila Panchayat / Chief Development Officer / District Development Officer / PD of District Rural Development Agency (DRDA), representatives from concerned line Departments, Dairy Cooperatives, Farmers' / Animal Rearers' / Poultry Associations, Marketing Boards, local Banks, Self Help Groups and other Non-Governmental organizations. District Planning Committee and PRIs will be involved in implementing the programme depending on their expertise and available infrastructure. District Animal Husbandry Officer / Veterinary Officer will be Member Secretary of DLMC.

4.4 Technical Support Group (TSG)

4.4.1 The Mission will have a strong technical component and domain experts will be central to management of the Mission. Technical Support Group (TSG) will provide inputs to the Mission Directorate, and similarly in States at State / District level. TSGs will have flexible norms for recruiting professionals, on contract. Service providers could also be engaged for providing technical services in accordance with terms of reference laid for the purpose and approved by EC. TSG would comprise of personnel at different levels, who will provide technical services and their honorarium will be fixed on the basis of their qualifications, experience, and last pay drawn, if retired from Government. Fresh graduates having knowledge in Livestock / Poultry production, Feed and Fodder development, Computer professionals, MBA graduates, young professionals could also be a part of TSG.

4.4.2 TSG will have the following role and functions:

1. Assisting the Mission Directorate in implementation of the mission, including providing technical assistance in appraising the projects
2. Visit the project areas frequently to provide guidance in organizational and technical matters
3. Compile materials for conduct of regional workshops in respect of the project components. They will also prepare Annual Calendar for capacity building, promotional events, workshops / seminars on different aspects of livestock development in consultation with State Livestock Missions (SLMs).
4. Supervision & Evaluation of Mission.
5. Conduct studies on different aspects of livestock management.
6. Document and disseminate case studies of success stories.
7. Assist States in capacity building programmes.
8. Undertake publicity / information campaign to promote Mission's objective.
9. Provide monthly feed-back reports to Mission Director.
10. Manage the website of the Mission

5. Procedure for approvals and implementation

5.1 Preparation and Submission of Proposals

5.1.1 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"

5.1.2 The State 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

5.2.1 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.

5.2.2 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.

5.3 Fund Flow Mechanism

5.3.1 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.

5.3.2: 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.

5.3.3: 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.

5.3.4: Variations in fund flow mechanism under specific components are explained under relevant components.

6. Monitoring and Evaluation

6.1 As already stated, the Mission will have a General Council under the Chairmanship of the Agriculture Minister; a Central Executive Committee under the Chairmanship of Secretary, DADF; State Executive Committees, and District Mission Committees. Besides, Technical Support Groups will be central to management of the Mission. The Technical Monitoring Committee (TMC) for all the State Farms (on the lines of State Poultry Farms) will continue to function. All these institutions under the Mission will undertake concurrent monitoring and periodic evaluation of activities under the Mission.

7. Mission Interventions

7.1 SUB-MISSION ON LIVESTOCK DEVELOPMENT

7.1.1 COMPONENT (I) - ENTREPRENEURSHIP DEVELOPMENT AND EMPLOYMENT GENERATION (EDEG)

7.1.1.1 This component includes all credit cum subsidy linked activities earlier implemented through NABARD, viz., Poultry Venture Capital Fund (PVCF), Integrated Development of Small Ruminants and Rabbits (IDSRR), and Pig Development. Since these schemes have been popularized with great efforts during XI Plan, the names of the credit linked activity will not be changed to avoid confusion among beneficiaries and bankers. However, the suffix EDEG will be added to indicate that these are part of the XII Plan Scheme.

7.1.1.2 The Sub-Mission will function under the institutional structure of the National Livestock Mission. In addition, for operation of the EDEG component, the State Government will constitute the State Level Sanctioning and Monitoring Committee (SLSMC) under the Chairmanship of State Principal Secretary / Secretary of Animal Husbandry Department and DGM / AGM of Regional NABARD as Member Secretary. The members may be State Officials of Animal Husbandry Department, Lead Bank, Commercial Banks, NGOs, representative of DADF, GOI. The SLSMC will approve projects based on the merit of the projects and on the budget allocated to the States/UTs. The SLSMC will also maintain close liaison with State Level Bankers' Committee (SLBC) and be updated on Potential Linked Credit Plan (PLP) of the districts. The respective SLSMCs are also required to review the unit costs every year and get the revised unit costs ratified by Department of Animal Husbandry, Dairying & Fisheries. The SLSMCs will also take a call on the smallest unit size suitable to the local situation of the beneficiaries in the State so that multiples of the smallest modules can be approved according to resources and capacity of the beneficiaries.

7.1.1.3 For margin money and collateral securities, extant RBI guidelines will be applicable. However, the State Governments may choose to make provision for payment of margin money on behalf of the beneficiaries, which will be admissible. One time grant for possible credit guarantee fund for micro and small industries is also proposed for such cases where the beneficiary is not able to provide collateral security. This is proposed in the form of one time contribution from NLM in consultation with NABARD. An amount of Rs 100 crore is proposed to be kept for this purpose, to be used as credit guarantee only in respect of loans given by banks for micro and small livestock based ventures without collateral security.

7.1.1.4 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-A-I, A-I(A), A-I((B)** and **A-I(C).**

7.1.2 COMPONENT (II) - (Modernisation and Development of Breeding Infrastructure)

7.1.2.1 This component covers all subordinate offices of the Department concerned with poultry, sheep and goat, namely the Central Poultry Development Organisations (CPDOs) and the Central Sheep Breeding Farm (CSBF). Programmes of strengthening / modernization of State Poultry, Sheep, Goat and Pig Farms covered under XI Plan Schemes, viz., 'Poultry Development', 'Integrated Development of Small Ruminants and Rabbits', and, 'Pig Development' are also covered under this component.

7.1.2.2 The Central Organisations will prepare an infrastructure development plan on the basis of which case to case approval and expenditure sanction will be provided by the Department. The infrastructure plan would focus on biosecurity, infusion of high-end technology and automation so as to develop these organizations as showcase for demonstration of technology and skill development. Similarly the technical programme adopted at these farms will also be reviewed and revised keeping in view variety of breeding stock required by the States / beneficiaries and skills necessary for rearing these animals on scientific lines.

7.1.2.3 The States will be required to make a thorough assessment of all farms / breeding infrastructure with respect to their potential and performance, and select the farms with high potential. These farms picked up for strengthening will also be mandated to train State officials/ entrepreneurs/farmers.

7.1.2.4 So far as infusion of technology is concerned, there is a gulf of difference between commercial breeding farms in the private sector and the breeding farms in the public sector particularly in case of poultry and pigs. In order to bridge this gap, 4-6 farms for each species will be selected for developing into state-of-the-art farms (model farms) with infusion of high-end technology and automation with focus on biosecurity and maintenance of disease free stock.

7.1.2.5 One time operational/ Revolving Fund may be provided to these farms for smooth operations and maintenance to ensure long term sustainability. In case of poultry farms, it is necessary that not only the operational cost of chick, feed, etc., is covered but also the operational biosecurity plan hitherto not included should be implemented to sustain the operations. This may include purchase of hatching eggs, parent stock, feed ingredients, transportation, medicine, vaccines, etc., following Standard Operating Procedure (SOPs) for cleaning and disinfection with approved disinfectants.

7.1.2.6 In case of Government of India farms, the same pattern of funding as was done in the erstwhile Central Sector Scheme for subordinate/ attached offices in Plan and Non Plan heads would continue.

7.1.2.7 For breeding improved varieties of animals across these species, assisted reproduction technologies (ARTs), as applicable, will be propagated. This will include establishment of sperm stations, development of AI network, oestrous synchronization, embryo transfer, etc.

7.1.2.8 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure–A-II** and **A-II(A).**

7.1.3 COMPONENT (III) - <u>(Interventions towards productivity enhancement)</u>

7.1.3.1 This activity component will include the Rural Backyard Poultry Development component of the XI Plan scheme on Poultry Development, but will cover beneficiaries from BPL families only. Operational credit-cum-subsidy may be availed under Central Grower Unit component of Poultry Venture Capital Fund. Only low input technology birds will be propagated under this component, the varieties of which are placed at **Annexure-F**. This list will be updated as and when required, and will be uploaded on the website www.dadf.gov.in

7.1.3.2 This component also includes the following activities of the XI Plan schemes, viz., 'Integrated Development of Small Ruminants and Rabbits' and, and 'Pig development'.

1. Interventions in the breeding tracts of high fecundity breeds;
2. Sponsoring need based research / studies and linkages with professional bodies;
3. Propagation of Artificial Insemination (AI);
4. Biotechnology centres for fecundity breeds;
5. Training and orientation of functionaries;
6. Ram / buck / boar shows;
7. Community led breed improvement programmes;
8. Innovative projects

7.1.3.3 During the XII Plan, propagation of Artificial Insemination in small ruminants will be given special focus by establishment of semen banks/collection centres. In addition, organizing camps for mass de-worming / vaccination, supply of area specific mineral mixtures, etc., will also be funded under the programme.

7.1.3.4 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-A-III** and **A-III(A).**

7.1.4 COMPONENT (IV) - (Risk Management & Insurance)

7.1.4.1 The 'Risk Management' as a component of sub-mission on livestock development of NLM is to be implemented in all the Districts of the Country including those carved out in future, if any. This component aims towards management of risk and uncertainties by providing protection mechanism to the farmers against any eventual loss of their animals due to death; and to demonstrate the benefit of insurance of livestock to the people. The indigenous / crossbred milch animals, pack animals (Horses, Donkey, Mules, Camels, Ponies and Cattle/Buffalo Male), and Other Livestock (Goat, Sheep, Pigs, Rabbit, Yak and Mithun etc.) will be under the purview of this component. Benefit of subsidy is to be restricted to 5 animals per beneficiary per household for all animals except for sheep, goat, pig and rabbit, where the benefit will be restricted to 5 cattle units (1 cattle unit = 10 sheep/goat/pig/rabbit). Therefore the benefit of subsidy to sheep, goat, pig and rabbit is to be restricted to 5 'Cattle Unit' per beneficiary per house hold.

However, if a beneficiary has less than 5 animals / 1 Cattle Unit can also avail the benefit of subsidy.

7.1.4.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-A-IV & A-IV(A).**

7.1.5 COMPONENT (V) - (Conservation of Livestock Breeds)

7.1.5.1 Under this component, annual grant for nucleus breeding farms will be provided. The States will be encouraged to undertake a structured programme of identification and registration of new breeds. The universities will also be involved under this programme so that new varieties proposed to be registered are first studied at the State University level, then at the level of NBAGR before they are finally registered as breeds. These activities will be monitored by a State Level Committee on Animal Genetic Resources which will also take stock of population dynamics of the existing breeds whose native tracts lie in the State. Annual seminars, workshops, etc., will also be organized to enhance awareness of all stakeholders. Establishment of farmers / breeders organizations with the objective of registration of two specimens of the breed and maintenance of breed registry will also be supported under this component.

7.1.5.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-A-V** & **A-V(A).**

7.1.6 COMPONENT (VI) - (Development of Minor Livestock Species)

7.1.6.1 The XI Plan schemes of the Department did not cover development of equines and yaks. It is proposed to keep a window open for consideration of proposals for development of these species. Proposals for this activity will be received through the State Governments, and non-government organizations (NGOs) will be eligible to submit proposals. It will be the responsibility of the State Government to verify the credentials of the NGO before forwarding their proposal.

7.1.6.2 Brief guidelines and proforma for submitting proposals under this component are placed at **Annexure-A-VI** & **A-VI(A).**

7.1.7 COMPONENT (VII) - (Utilization of Fallen Animals)

7.1.7.1 Under this component establishment of carcass utilization centres, bone crushing units, renovation / modernization of existing carcass utilization centres, training and insurance of flayers will be supported. The programme will be implemented through

Panchayati Raj Institutions. There will be three models of carcass utilization centres with processing capacities of 5-6 animals per day, 7-19 animals per day and 20-25 animals per day for which subsidy ceiling of Rs.110 lakh, Rs.165.00 lakhs and Rs.220.00 lakh will be allowed, respectively, at 75% of project cost whichever is less. Priority will be given to locations identified by Air Force Headquarters. Training of flayers will be undertaken at CLRI, Chennai or other existing training centres. A cost of Rs.5000 per trainee will be allowed.

7.1.7.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-A-VII** & **A-VII(A).**

7.1.8 COMPONENT (VIII) - (Establishment of Rural Slaughter Houses)

7.1.8.1 Establishment / Modernization of Large slaughter houses by commercial business interest as well as municipal corporations are being supported by Ministry of Food Processing Industries. However, there is a tendency to concentrate such large slaughter houses in the peri-urban areas which has its own complications. The department's effort to initiate rural slaughter houses with support of a mix of credit-cum-subsidy has not met with success. Therefore, it is proposed to implement a programme of Rural Slaughter Houses (establishment/ modernization/ expansion) through Panchayati Raj Institutions. Therefore, this component will support slaughter houses in rural areas, with grant-in-aid under the scheme. The funding pattern for this component will be 75% Central Share and 25% State share subject to a limit of central share of Rs1.50 crore.

7.1.8.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-A-VIII** & **A-VIII(A).**

7.2 SUB-MISSION ON PIG DEVELOPMENT IN THE NER

7.2.1 COMPONENT (I) - (Strengthening of State Pig Breeding Farms)

7.2.1.1 There are 60 Pig Breeding Farms in the North Eastern States in the Government sector. During a review made in the Department 2011-12, it was learnt that not only these farms are poor in infrastructure in terms of pig sheds and related facilities, their rearing capacity is also quite low and the breeding stock old and deteriorated. Therefore, it is proposed to make a thorough assessment of the pig breeding infrastructure in the Government sector and strengthen their infrastructure so as to enable each one of them to rear a minimum strength of 100 breeding sows. These farms will act as multiplication centres and receive their breeding stocks from large farms running a scientific breeding programme, e.g., University Pig Farms, and National Research Centre for Pigs, etc. These farms will also conduct training for Pig farmers so that scientific pig management practices can be inculcated into progressive farmers.

7.2.1.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-B-I** & **B-I(A).**

7.2.2 COMPONENT (II) - (Import of Germplasm)

7.2.2.1 Average carcass weight of pigs in the North Eastern Region varies widely from 41 kilos in Assam to 137 kilos in Mizoram. This wide variation reflects the need for genetic upgradation. Since the population which is to be upgraded is large (above 4 million) and the breeding stock in State Pig Breeding Farms old and deteriorated, import of germplasm has become unavoidable. However, import of live animals poses relatively higher risk of ingress of diseases. Therefore, it will be prudent to have a mix of semen, embryos and live animals while importing germplasm. A committee of experts will be constituted to assess the requirement of germplasm and to what proportion each form of germplasm, i.e., semen, embryos and live animals are to be imported. For requirement of a single State, the State would follow the advice of the expert committee and import the stock. If more than one State are importing, the Mission Directorate will guide the import process so as to harmonize the requirement and ensure delivery of quality product.

7.2.2.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-B-II** & **B-II-(A).**

7.2.3 COMPONENT (III) - (Support to Breeding Programmes)

7.2.3.1 As has been the experience in the past, import of germplasm with high potential is no guarantee to higher performance unless a proper breeding programme is implemented. Therefore, the sub-mission will support breeding programmes to be implemented by selected organizations both in Government and Semi-government sector that will provide breeding materials for the multiplication herds either in the Government sector or private entrepreneurs supported under NMPS. Performance of the animals in such breeding programmes will be analysed scientifically for constant improvement in performance and a proper animal identification and performance recording system will be followed. The operational cost of running the breeding programmes will be supported under the sub-mission. The idea is to create an institutional structure with three tiers where the farmer produces piglets and sells the same, the State Breeding Farms produce and supply the breeding stock for the farmers and specialized breeding farms with scientific programmes produce and supply breeding material for the multiplication farms. Once this structure is firmly established, this will create room for further specialized pig breeding operations in the country in which participation of private sector may be expected.

7.2.3.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-B-III** & **B-III(A).**

7.2.4 COMPONENT (IV) - (Propagation of Reproductive Technologies)

7.2.4.1 There is an acute shortage in the country of quality breeding boars. In the North Eastern Region, because of difficult terrain, it is cumbersome and expensive to adopt natural mating with boars of improved quality. Improvement of stock in such circumstances can happen if artificial insemination is adopted as a mainstream programme. Therefore, this component of the sub-mission will support training of functionaries in artificial insemination technology; and will assist State Government and other multiplication farms in setting up artificial insemination centres. This component will also support import of embryos and setting up embryo transfer facilities in organizations implementing a scientific breeding programme to supply breeding stock to the multiplication farms.

7.2.4.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-B-IV** & **B-IV(A).**

7.2.5 COMPONENT (V) - (Health Cover)

7.2.5.1 Under this programme, the State Government will be encouraged to take vaccination programmes to protect the stock against Classical Swine Fever (CSF) and Foot and Mouth Diseases (FMD). Control of parasites of the neonates (Ascaris) will also be covered under the programme. For remaining diseases, the State will be encouraged to avail of the assistance available under mainstream schemes of Livestock Health.

7.2.5.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-B-V** & **B-V(A).**

7.2.5.3 States can avail assistance for Pig Slaughter House under Component "Establishment of Rural Slaughter Houses" of National Livestock Mission implemented by DADF or "Setting / Modernization / Expansion of Abattoirs" of National Mission on Food Processing" (NMFP) of implemented by Ministry of Food Processing Industries.

7.3 SUB-MISSION ON FODDER AND FEED DEVELOPMENT

7.3.1 Component (I) - Fodder production from Non-forest wasteland / rangeland / grassland /non-arable land

7.3.1.1 Following activities are proposed under this component:

1. Production / procurement and distribution of seed / planting material of improved varieties of suitable crops
2. Soil and Moisture conservation works on the planting / sowing site
3. All ancillary planting, tending, protection and maintenance works up to 5^{th} year of planting / sowing
4. Rangeland Improvement
5. Harvesting and densification of fodder

7.3.1.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-C-I, C-I(A)** &**C-I(B),**

7.3.2 Component (II) - Fodder production from Forest land

7.3.2.1 This component shall be operated by the Forest Department, preferably through the Joint Forest Management Committees. The following activities are proposed under this component:

1. Rehabilitation of Degraded forests with predominantly fodder species
2. Production / procurement and distribution of seed / planting material of improved varieties of suitable crops
3. Soil and Moisture conservation work in forest areas
4. Silvi-pastoral plantations
5. All ancillary planting, tending, protection and maintenance works up to 5^{th} year of planting / sowing
6. Rangeland Improvement
7. Harvesting and densification of fodder

7.3.2.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure- C-II, C-II(A)** & **C-II(B).**

7.3.3 Component (III) - Cultivation of coarse grains and dual purpose crops

7.3.3.1 The activities under this component will be taken under the National Food Security Mission (NFSM). The State Governments, for coarse grains and dual purpose crops, would approach the Department of Agriculture and Cooperation with their project proposals as per the guidelines of NFSM.The following activities are proposed under this component:

1. Seed production under contract farming with buy back arrangement with the State Government / seed supplying agency
2. Buy back of the seed by the State Government / seed supplying agencies
3. Distribution of the seeds to the farmers free of cost or at subsidized rates
4. Support for land leveling, irrigation, etc.

7.3.4 Component (IV) - Fodder seed production / procurement and distribution

7.3.4.1 This component provides for multiplication of seeds of high yielding fodder varieties. The following activities are proposed under this component:

1. Seed and planting material production at farmer's field, by seed supplying agencies, cooperatives etc., under a buy back arrangement with the State Government / seed supplying agencies
2. Seed storage /processing
3. Buy back of the seed by the State Government / seed supplying agencies
4. Distribution of the seeds to the farmers free of cost or at subsidized rates

7.3.4.2 Brief guidelines and proforma for submitting the proposal under this component are placed at **Annexure-C-III**& **C-III(A),**

7.3.5 Component (V) - Conservation of fodder through post-harvest technologies

7.3.5.1 This component includes the following activities:

1. Value Addition - Making of Hay/Silage
2. Infrastructure development to store hay/silage at village level.
3. Establishment of Fodder banks at Panchayat / block / Primary Milk Cooperative level
4. Conservation technology adoption at individual/ Panchayat / Primary Milk Cooperative level
5. Demonstration of value added forage produce at block level.
6. Post harvest technologies for Landless, Marginal & small farmers and Intensive dairy production
7. Financial support for post harvest operations, like providing chaff cutters to the farmers, establishment of fodder densification units, feed enrichment units, and area-specific mineral mixture units, etc.

7.3.5.2 Following sub components are included for above activities:

(i) Distribution of hand driven chaff cutters

(ii) Distribution of power driven chaff cutters

(iii) Establishment of high capacity Fodder Block Making units

(iv) Distribution of low capacity, tractor mountable Fodder Block Making units/ Hey Baling Machine/ Reaper/Forage Harvester

(v) Establishment of Silage making units

(vi) Establishment of Bypass protein/ fat making units

(vii) Establishment of area specific mineral mixture / feed processing units

(viii) Establishment / modernisation of Feed testing laboratories

7.3.5.3 Brief guidelines and proforma for submitting the proposals under above sub-components are placed from **Annexure-C-IV(i) to Annexure-C-IV(viii)(A)**

7.3.6 Component (VI) - Regional Fodder Stations

7.3.6.1 This component provides for the administrative expenses for the 8 Regional Fodder Stations (subordinate offices of this Department), building these institutions, and strengthening their manpower and infrastructure in the process.

7.3.7 Component (VII) - Strengthening of research

7.3.7.1 Activities under this component will be taken up by the ICAR. Research in Fodder development will include the following:

1. Germplasm conservation, collection and evaluation with special reference to climate change
2. Varietal improvement with high biomass, high nutritional parameters, biotic and abiotic stress tolerance,
3. Cropping systems for rain fed and irrigated systems
4. Silvi-horti pasture systems
5. Grassland / rangeland management and improvement
6. Animal nutrition and metabolism aspects
7. Rumen manipulation and developing feeding regime to reduce methane emission
8. Forage farm machinery and post harvest technologies
9. Enhancing seed production and protection
10. Any innovation useful for improving animal nutrition

7.3.8 Component (VIII) - Training and Human Resource Development

7.3.8.1 This component provides for capacity building of all stakeholders in fodder and feed development. This will include:

1. Training to trainers
2. Training to farmers
3. Training to researchers / academicians / officials

   Brief guidelines for submitting the proposals under above sub- component is placed from **Annexure-C-V.**

7.3.9 Component (IX) - Institutional strengthening and support

7.3.9.1 Apart from meeting administrative support, this component aims at the following interventions:-

1. To establish Public Private Partnership for efficient marketing,
2. To establish linkages with DoAC, MoEF, NDDB, SFCI, AHD and Private Agencies, etc,
3. Organising workshops, conferences of the stakeholders, including farmers,
4. Preparing and disseminating material for generating awareness amongst the farmers and other stakeholders,
5. Organising trainings other than those provided under the specific components,
6. Monitoring, evaluation of the scheme, and undertaking impact studies,
7. Providing funds for innovations, and software / database development.

7.4 SUB-MISSION ON SKILL DEVELOPMENT, TECHNOLOGY TRANSFER AND EXTENSION

7.4.1 Component (I) - IEC Support for Livestock Extension

7.4.1.1 In knowledge-driven development, there is need for providing extension education keeping in view the diverse needs of the livestock owners not only on production procedures, but also the knowledge about the whole range of livestock-business, production systems, research institutions, programmes and schemes of the development departments, quality certification and reporting procedures, grading, packaging, storage, transportation and other requirements of both domestic and export markets, including interfaces at different levels with unlimited partners. The development of Information Communication Technology (ICT) and Telecommunication Network have paved the way for creation of information network, knowledge pool and services which can be intensively used for the purpose.

The following Components will be under taken to implement this Sub-Mission:

1. Component (I) – IEC Support for Livestock Extension
2. Component (II - Training and capacity Building
3. Component (III)-Livestock Farmers Groups/Breeder's Association
4. Component (IV)- Organization of Livestock Mela / Show
5. Component (V) – Regional Livestock fair
6. Component (VI)-Operationalisation of Farmers Field Schools.
7. Component (VII)- Exposure Visit for livestock Extension facilitators
8. Component (VIII)- Exposure Visit of farmer
9. Component (IX) – Staff component of livestock Extension.

7.4.1.2 Brief guidelines and proforma for submitting the proposals under above sub-components are placed from **Annexure-D-I** to **D-IX**.

Annexure-A-I

Sub-mission: Livestock Development

Component I: Entrepreneurship Development and Employment Generation (EDEG)

1.	Name of the Sub-Components	a. Poultry Venture Capital Fund (PVCF-EDEG) b. Integrated Development of Small Ruminants and Rabbits (IDSRR-EDEG) c. Pig Development (PigD-EDEG) d. Salvaging of Male Buffalo Calves (SMBC-EDEG)
2.	Objectives	a. Poultry Venture Capital Fund (PVCF-EDEG) i. To encourage entrepreneurship in various poultry activities and provide capacity building for employment opportunities ii. To improve production of poultry products and productivity of processing units through technology upgradation and also encourage introduction of innovative technology. iii. To encourage rearing of other poultry species like quails, ducks, and turkeys etc. which have good potential.
		b. Integrated Development of Small Ruminants and Rabbits (IDSRR-EDEG) i. Development of Sheep for Wool and Mutton ii. Development of Goat for Meat and Milk iii. Assistance for Establishment of Goat Farms in Government Sector, NGO and Private iv. Assistance for Establishment of Rabbit Breeding Farms for Wool. v. Assistance for Training in Sheep, Goat and Rabbit Production
		c. Pig Development (Pig Development-EDEG) i. Encourage commercial rearing of pigs by adopting scientific methods and creation of infrastructure ii. Production and supply of improved germ plasm iii. Organizing stakeholders to popularize scientific practices iv. Create supply chain for pork industry v. Encourage value addition for better income. d. Salvaging of Male Buffalo Calves (SMBC-EDEG); i. Salvage and rear male buffalo calves to enhance survival rate, ii. Increase availability of buffalo meat for export and domestic markets, iii. Enlarge raw material base for leather industry, iv. Improve availability of by-products such as meat-cum-bone meal, tallow, hides, bio-fertilizer, brushes, combs and buttons, etc., v. Improve India's foreign exchange earning through export of buffalo meat and leather products,

		vi. Create avenues of economic gain from genetic material which otherwise go waste by linking livestock farmers and meat / leather industry, and vii. Enhance employment opportunities in rural areas.
3.	Salient Features	The project is designed mainly for entrepreneurship development and technology infusion wherein a basket of activities which are bankable are placed from which farmers, individual entrepreneurs, NGOs, companies, cooperatives, groups of unorganised and organized sector which include Self Help Groups (SHGs), Joint Liability Groups (JLGs) etc. can choose from. The eligible activities, proportion of subsidy in relation to project cost and indicative cost norms are given**,** as a general guideline at **Annexure-A. I(C)** for various areas and various categories of beneficiaries, unless otherwise mentioned. State Government may scout for potential beneficiaries and facilitate with banks and enable processing of application/ proposal. The entrepreneurs shall apply to their banks for sanction of the project. The bank shall appraise the project as per their norms and if found eligible, sanction the total outlay excluding the margin, as the bank loan. The loan amount is then disbursed in suitable instalments depending on the progress of the unit. After the disbursement of first instalment of the loan, the bank shall apply to the concerned Regional Office of NABARD for sanction and release of total eligible subsidy.
4.	Beneficiaries	Farmers, individual entrepreneurs, NGOs, Companies, Cooperatives, Groups of organized and unorganized sector which include Self-Help Groups (SHGs) and Joint Liability Groups (JLGs).
5.	Pattern of financial assistance	Central assistance, as provided under **Annexure-E**
6.	Implementing agencies	State Government; fund channelizing through NABARD.

Annexure-A-I(A)

Sub-mission: Livestock Development

Proforma for submitting proposal under the component of "Entrepreneurship Development and Employment Generation (EDEG)"

a.	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b.	Project ID
c.	Name of the Project and component under which project proposal is to be considered
d.	Financial Pattern of Assistance proposed
e.	Cost
f.	Duration a) Commencement (Year) b) Exp. Date of Completion
g.	Whether proposal is in accordance with the Mission guidelines?
h.	Whether amount sought is against proposals recommended by SLSMC and major objectives outlined
i.	Whether forward and backward linkages of the proposals sanctioned have been tied up i.e. viability ensured.
j.	For technology up gradation/ innovation, modernization projects, basic information on the technology /practice to be introduced should be furnished along with the benefits that would accrue to the farmers.
k.	Whether issues of veterinary health cover of the flocks/stocks including vaccination for diseases and basic biosecurity concerns addressed
l.	Review of implementation status of earlier projects of similar nature funded under RKVY or other Government schemes, if implemented, should be included.
m.	Are the Environmental and Disaster Management norms of the State complied with?
n.	Whether UCs of funds released earlier submitted sanction-wise?
o.	Whether audited UCs of funds given in previous years furnished?
p.	No. of SLSMC/ SLEC meetings held/ major decisions taken
q.	Expected Output / per Unit / per beneficiaries
r.	Physical Progress with respect to number of units, type of units, SC/ST/Women/ differently-abled beneficiaries etc. furnished State-wise, year-wise
s.	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project. In case of certain livelihood programs, the benefits accrued by beneficiaries, social development etc.
t.	Growth Impact
u.	Any other relevant information related to the proposal:
v.	Name and signature of the Head of the implementing agency/ Fund channelizing agency
w.	Name and signature of the Head of the Animal Husbandry Department:

Annexure-A-I(B)

Sub-mission: Livestock Development

Indicative subsidy ceilings under the component of 'Entrepreneurship Development and Employment Generation' (EDEG)

Sub-component - Poultry Venture Capital Fund (PVCF)-EDEG		
S.N.	**Component**	**Ceiling of Subsidy**
i	Breeding Farms for Birds of alternate species like turkey, ducks, Japanese quails, guinea fowl and geese	At 25% level subsidy- subsidy ceiling Rs. 7.50 lakh Varies depending on the species and unit size.
ii	Central Grower Units (CGU) – upto 16000 layer chicks per batch.	At 25% level subsidy- subsidy ceiling Rs. 10 lakh for a unit of 16000 layer chicks per batch (three batches a year) - Varies with size.
iii	Hybrid Layer (chicken) Units – upto 20000 layers	At 25% level subsidy- subsidy ceiling Rs. 2 lakh for 2000 layer unit - Varies with the size.
iv	Hybrid Broiler (chicken) Units – upto 20000 birds. Can be weekly, fortnightly, monthly, all-in all-out batches. Bird strength at any point of time should not exceed 20000 birds	At 25% level subsidy- subsidy ceiling Rs. 0.56 lakh for a batch of 1000 broilers - Varies with unit size
v	Rearing of Poultry like low-input technology variety of chicken and other alternative species like turkey, ducks, Japanese quails, guinea fowl and geese.	At 25% level subsidy- subsidy ceiling Rs. 5 lakh Varies with the species and unit size
vi	Feed Mixing units (FMU) - 1.0 ton per hour Disease Investigation Lab (DIL)	At 25% level subsidy- subsidy ceiling Rs. 4 lakh
vii	Transport Vehicles – open cage	At 25% level subsidy- subsidy ceiling Rs. 2 lakh
viii	Transport Vehicles – Refrigerated	At 25% level subsidy- subsidy ceiling Rs. 3.75 lakh
ix	Retail outlets – Dressing units	At 25% level subsidy- subsidy ceiling Rs. 2.50 lakh
x	Retail outlets – marketing units	At 25% level subsidy- subsidy ceiling Rs. 3.75 lakh
xi	Mobile marketing units	At 25% level subsidy- subsidy ceiling Rs. 2.5 lakh
xii	Cold storage for poultry products	At 25% level subsidy- subsidy ceiling Rs. 5 lakh
xiii	Egg / Broiler Carts	At 25% level subsidy- subsidy ceiling Rs. 3750/-
xiv	Large Processing Units 2000-4000 birds per hour	At 25% level subsidy- subsidy ceiling Rs. 125 lakh
xv	Emu Processing units	At 25% level subsidy- subsidy ceiling Rs. 250 lakh
xvi	Feather Processing Units/ litter management	Varies with unit size. The subsidy ceiling is Rs. 125 lakh.
xvii	Technology upgradation/ innovations including waste disposal/ incinerators, mini-hatchers, egg vending machines etc.	Varies with the component. The subsidy ceiling is Rs. 125 lakh. For new/ innovative projects EC may decide the subsidy/ value cap depending upon the scope and importance of the project.

Sub-component - Integrated Development of Small Ruminants and Rabbits (IDSRR)-EDEG		
i	Commercial Units of 10 ewe / does+ 1 ram / buck	At 25% level subsidy- subsidy ceiling Rs. 12,500/-
ii	Breeding farms with 100 ewe / does + 5 ram / bucks	At 25% level subsidy- subsidy ceiling Rs. 2,50,000/-
iii	Commercial rabbit -Angora units	At 25% level subsidy- subsidy ceiling Rs. 75,000/-
iv	Rabbit - Angora breeding Farms	Varies with unit size
Sub-component - Pig Development-EDEG		
i	Commercial rearing units (3 sows + 1 Boar)	At 25% level subsidy- subsidy ceiling Rs. 25,000/-
ii	Pig Breeding Farms (20 sows + 4 Boars)	At 25% level subsidy- subsidy ceiling Rs. 2,00,000/-
iii	Retail Pork Outlets with facility for chilling	At 25% level subsidy- subsidy ceiling Rs. 3,00,000/-
Sub-component - Salvaging of Male Buffalo Calves-EDEG		
i	**Mini Units:** Rearing of male Buffalo calves upto 25 calves.	At 25% level subsidy - subsidy ceiling Rs. 6,250/- per calf. It would be implemented by the State Governments and subsidy would be channelized through NABARD. The beneficiary will have to avail bank loan to a tune of minimum 50% of project cost minus subsidy and prescribed beneficiary share.
ii	**Commercial Units:** Rearing of male Buffalo calves, more than 25 calves upto 200 calves at one location.	At 25% level subsidy - subsidy ceiling Rs. 1,50,000/- per 25 calves (at the rate of Rs.6,000/- per calf). It would be implemented by the State Governments and subsidy would be channelized through NABARD. The beneficiary will have to avail bank loan to a tune of minimum 50% of project cost minus subsidy and prescribed beneficiary share.
iii	**Industrial Rearing Units:** more than 200 calves upto 2000 Buffalo calves at one location.	At 25% level subsidy - subsidy ceiling Rs. 6,25,000/- per 200 calves (at the rate of Rs.3,125/- per calf). It would be implemented by the APEDA and subsidy would be channelized through NABARD. The beneficiary will have to avail bank loan to a tune of minimum 50% of project cost minus subsidy and prescribed beneficiary share.

Note:

(a) The ceiling on subsidy in general is at the rate of 25%. Pro-rata variable subsidy depending on category of beneficiary and location of the project will be applicable. The unit cost assumed for calculation of ceiling of subsidy is indicative only and SLSMC can revise or modify as per the prevailing market price in the area.

(b) Rearing of male buffalo calves for a minimum period of 24 months.

(c) All units under 'Entrepreneurship Development and Employment Generation', include provisions for feed and fodder, silage making, biosecurity and healthcare, insurance and other project activities etc.

(d) An entrepreneur may avail more than one unit (maximum 4 units) of Commercial Unit of 10 ewe / does+ 1 ram / buck and; Commercial rearing units (3 sows + 1 Boar).

(e) No multiple unit will be allowed for other activities under the Component- EDEG.

Annexure-A-I(C)

Proportion of Subsidy for various areas and various categories of beneficiaries

(i) NORMAL AREAS:

Category	Back ended subsidy	Credit	Beneficiary Share / Margin Money
BPL / SC / ST	33.33%	56.67%	10%
APL	25%	65%	10%

(ii) NORTH EAST REGION / HILL AREAS / LWE AFFECTED DISTRICTS

Category	Back ended subsidy	Credit	Beneficiary Share / Margin Money
BPL / SC / ST	50%	40%	10%
APL	35%	55%	10%

(iii) DIFFICULT AREAS

Category	Back ended Subsidy	Credit	Beneficiary Share
BPL / SC / ST	60%	30%	10%
APL	45%	45%	10%

Abbreviations: BPL: Below Poverty Line, SC / ST: Schedule Caste / Schedule Tribe
APL: Above Poverty Line

Types of Areas:

NORMAL AREAS: All areas which do not fall under the subsequent categories.

NORTH EAST REGION: Seven NE States and Sikkim.

HILL AREAS: Designated Hill Areas indicated below :

State	Districts	State	Districts
Assam	1. North Cachar 2.Karbi Anglong	West Bengal	1. Darjeeling
Uttarakhand	1. Dehradun 2. Pauri Garhwal 3. Tehri Garwhal 4. Chamoli 5. Uttarkashi 6 Nainital 7. Almora 8. Pithoragarh	Himachal Pradesh	1.Chamba 2. Kinnaur 3. Kullu 4.Lahauland Spiti 5. Shimla 6. Kangra
Jammu & Kashmir	Kathua Udhampur Doda Baramulla	Tamil Nadu	1.Nilgiris
Mizoram	Chimptuipui Lungelei Town in Lunglei District		

Notified Left Wing Extremist Affected Districts (83 Nos.).

State	Districts	State	Districts
Andhra Pradesh	1. Anantapur 2. Adilabad 3. East Godavari 4. Guntur 5. Karimnagar 6. Khammam 7. Kurnool 8. Medak 9. Mehboobnagar 10. Nalgonda 11. Prakasam 12. Srikakulam 13. Visakhapatnam 14. Vizianagaram 15. Warangal 16. Nizamabad	Bihar	1. Arwal 2. Aurangabad 3. Bhojpur 4. East Champaran 5. Gaya 6. Jamui 7. Jehanabad 8. Kaimur 9. Munger 10. Nalanda 11. Nawada 12. Patna 13. Rohtas 14. Sitamarhi 15.West Champaran
Uttar Pradesh	1. Chandauli 2. Mirzapur 3. Sonebhadra	West Bengal	1. Bankura 2. Midnapore 3. Purulia
Maharashtra	1. Chandrapur 2. Gadchiroli 3. Gondia	Madhya Pradesh	1. Balaghat
Chhattisgarh	1. Bastar 2. Bijapur 3. Dantewada 4. Jashpur 5. Kanker	Chhattisgarh	1.Korea- Baikunthpur 2. Narayanpur 3. Rajnandgaon 4. Sarguja

DIFFICULT AREAS: Notified Difficult Areas like Leh, Ladakh, Kargil areas, areas above 11,000 ft. height from mean sea level as well as difficult islands.

Annexure-A-II

Sub-mission: Livestock Development

Component II: Modernisation and Development of Breeding Infrastructure

1.	Name of the sub-Components	i. Central Government farms ii. State / University farms as showcase farms iii. Strengthening of existing Breeding infrastructure of State / University farms
2.	Objectives	**I. Central Government farms**
		a. Central Poultry Development Organizations including Central Poultry Performance Testing Centre i. To evolve and develop quality poultry chicks, ducklings both parent stock and commercial stock, both egg type and meat type by taking up breeding programs on various strains maintained. ii. To intensify training of family poultry producers and also impart poultry training at Central Poultry Development Organization and Training Institute at Hessarghatta, Bengaluru in various areas of poultry production mostly for in-service candidates and other institutional candidates including foreign candidates mostly from the developing countries. iii. To evaluate quality of the poultry feed ingredients and other animal feed as part of quality control activities. iv. To diversify activities by introduction of new species such as duck, Japanese quail, guinea fowl & turkey—etc. for future development and expansion. v. To conduct layer and broiler tests to evaluate the economical status of the various stocks developed/available in the country in private and public sector. vi. To assist States/ U.Ts in their poultry development programs.
		b. Central Sheep Breeding Farm, Hisar 1. Under DAHDF, for supply of breeding Rams to State Government Farms, private breeder and NGOs 2. For supply of breeding bucks to State Government Farms, private breeder and NGOs 3. For Training in Sheep rearing 4. For training in machine shearing of sheep
		II. **State / University farms: Showcase farms** i. So far as infusion of technology is concerned, there is a gulf of difference between commercial breeding farms in the private sector and the breeding farms in the public sector particularly in case of poultry and pigs. ii. In order to bridge this gap, 4-6 farms for each species will be selected for developing into state-of-the-art farms (model farms) with infusion of high- end technology and automation with focus on biosecurity and maintenance of disease free stock.

		III. Strengthening of existing Breeding infrastructure of State / University farms The objective is to enable the flow of suitable germplasm from the research Institutions / laboratories to the grassroots level alongwith other technical services through: i. Capacity building of State Poultry Farms; Modernization of farm - automation, modern farm equipment, high-end technology infusion etc. ii. Developing and implementing package of practices at the ground level for different types of poultry system including family poultry system for supplementary income generation and family nutrition. iii. Poultry production in a clustered manner through a scientific approach.
3.	Salient Features	i. The Central Organisations will prepare an infrastructure development plan on the basis of which case to case approval and expenditure sanction will be provided by the Department. ii. The States may be required to make a thorough assessment of all farms / breeding infrastructure with respect to their potential and performance, and select the farms with high potential. These farms picked up for strengthening will also be mandated to train State officials/ entrepreneurs/farmers. iii. It may also be stated that for State farms, except showcase farms, civil work may be kept to minimal and no funds may be allotted for new major construction, routine maintenance and patchworks etc. However, incidental civil work for installation of machinery and equipment, 10% of the funds may be allocated. Further, if felt necessary or urgent, works involved with automation, modernization and biosecurity may be recommended by SLEC. There also should be application disaster management technologies in all infrastructure projects. iv. One time operational/ Revolving Fund (maximum Rs. 15 lakh) may be provided to these farms for smooth operations maintenance to ensure long term sustainability. v. For breeding improved varieties of animals across these species, assisted reproduction technologies (ARTs) as applicable will be propagated.
4.	Pattern of financial assistance	Central assistance, as provided under Annexure-E. In case of Government of India farms, the same pattern of funding as was done in the erstwhile Central Sector Scheme for subordinate/ attached offices in Plan and Non Plan heads would continue.
5.	Implementing agencies	Central Government, State Government/ UTs, State Universities (through State Government / UT Administration). There may not be any objection if State Government, in turn engages and implements through NGOs or private agencies/ bodies

Annexure-A-II(A)

Sub-mission: Livestock Development

Proforma for submitting proposal under the component of "Modernisation and Development of Breeding Infrastructure"

a.	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b.	Project ID
c.	Name of the Project and component under which project proposal is to be considered
d.	Financial Pattern of Assistance proposed
e.	Cost (In Crore)
f.	Duration a) Commencement (Year) b) Exp. Date of Completion
g.	Whether proposal is in accordance with the Mission guidelines?
h.	Whether the proposal recommended by SLEC and major objectives outlined
i.	State Poultry Profile: Points below may be given as relevant to the project and basic idea is to identify the gaps and how the project envisages filling the gap
j.	Value addition /realization on account of the project and the physical infrastructure proposed e.g. landing centers/markets/cold chain etc. (cost estimate contained in the proposal should be based on the approved Schedule of Rates (SoR). In case of non-availability of approved SoR, the cost estimate should be formulated based on the prevailing market rates and in such cases; the reasonability of the rates adopted should be certified by the competent authority of the State/UT). The item-wise financial details may be included.
k.	Whether forward and backward linkages have been tied up e.g. availability of seed/feed/markets etc.
l.	For technology up gradation/ modernization projects, basic information on the technology /practice to be introduced should be furnished along with the benefits that would accrue.

m.	Whether issues of breeding, nutrition, management, veterinary health cover of the flocks/ birds including vaccination for diseases and basic biosecurity concerns addressed
n.	Whether training of the beneficiary farmers and marketing of the product have been addressed in the project
o.	Adoption of improved practices like application of area specific feed resources and hygienic/ biosecure shelters by dovetailing funding available under other ongoing schemes like NREGA need to be specified in the project.
p.	The project proposal should clarify whether financial /skilled human/other resources are available for operation /maintenance /continuation of the project.
q.	Review of implementation status of earlier projects of similar nature funded under RKVY or other Government schemes should be included.
r.	Are the Environmental, Pollution and Disaster Management norms of the State/ Country complied with?
s.	Whether UCs of funds released earlier submitted?
t.	Whether audited UCs of funds given in previous years furnished?
u.	Expected Output / per Unit / per beneficiaries
v.	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project.
w.	Growth Impact
x.	Any other relevant information related to the proposal:
y.	Name and signature of the Head of the implementing agency:
z.	Name and signature of the Head of the Animal Husbandry Department:

Annexure-A-III

Sub-mission: Livestock Development

Component III: Interventions towards productivity enhancement

1.	Name of the sub-Components	i. Rural Backyard Poultry Development ii. Interventions in the breeding tract of high fecundity breeds iii. Research studies and linkages with professional bodies iv. Propagation of Artificial Insemination Biotechnology centres for fecundity breeds v. Training and orientation of functionaries vi. Ram / Buck / Boar shows vii. Community led breed improvement programmes viii. Cluster based mass de-worming / health cover programmes ix. Innovative projects
2.	Objectives	**Rural Backyard Poultry Development: Rural Backyard Poultry Development** The 'Rural Backyard Poultry Development' component is envisaged to cover beneficiaries from BPL families to enable them to gain supplementary income and nutritional support. The SHGs/ NGOs, entrepreneurs may take up mother unit activity which will procure the day old chicks either from the State Poultry Farms or from the private hatchery and will rear the birds upto 4 weeks of age. This scheme component aims at supporting BPL beneficiary families with tapering assistance, wherein 4-week old chicks, suitable for rearing in the backyard, reared at the 'mother units' are further distributed to them in batches. Further, provision is there to raise the birds in a bio-secure manner for night-shelter etc.
		Interventions in the breeding tract of high fecundity breeds (i) Interventions in the breeding tracts of high fecundity breeds; (ii) Sponsoring need based research / studies and linkages with professional bodies; (iii) Propagation of Artificial Insemination (AI); (iv) Biotechnology centres for fecundity breeds; (v) Community led breed improvement programmes; (vi) Innovative projects
		Research studies and linkages with professional bodies
		Propagation of Artificial Insemination Biotechnology centres for fecundity breeds During the XII Plan propagation of Artificial Insemination in small ruminants will be given special focus by establishment of semen banks/collection centres. In addition, organizing camps for mass de-worming / vaccination, supply of area specific mineral mixtures, etc., will also be allowed under the programme.

		Training and orientation of functionaries
		Ram / Buck / Boar show
		Community led breed improvement programmes
		Cluster based mass de-worming / health cover programmes
		Innovative projects
3.	Salient Features	**Rural Backyard Poultry Development** This component will cover beneficiaries from BPL families. Chicks reared upto the age where they can survive at the farmers' backyard may be distributed in 2 or 3 batches to the beneficiaries. The cost ceiling for each chick will be Rs.50/-. The ceiling for number of birds to be distributed would be Forty Five. The beneficiary will also be provided with a lump sum ceiling amount of Rs.1500/- towards cages, night shelter, feeders, etc. In both instances, a Central share as indicated in the Administrative Approval for the prevailing year shall be followed. Mother units for raising day old chicks upto the marketable age of 4 weeks may also be established. Establishment of mother units will be allowed at State Poultry establishments as well as beneficiary level with Central assistance of maximum Rs. 60,000/- per unit. In case if mother unit is established at already assisted State Poultry farm under erstwhile schemes, Central assistance will not be provided. Operational credit-cum-subsidy for mother units may be availed under Central Grower Unit component of Poultry Venture Capital Fund (EDEG). Only low input technology birds listed in Annexure F will be propagated under this component. The firms listed in the table have to send feedback by end of December 2016, and subsequently every 2 years, if the programme continues, on the field performance reports, roles played, success stories and constraints faced in field if any; otherwise the variety may be excluded from the list without prior notice.
		Interventions in the breeding tract of high fecundity breeds
		Research studies and linkages with professional bodies
		Propagation of Artificial Insemination Biotechnology centres for fecundity breeds
		Training and orientation of functionaries
		Ram / Buck / Boar shows
		Community led breed improvement programmes – Purchase and Distribution of superior Rams/Bucks for breed improvement and productivity enhancement State Government shall submit proposal for

		purchase and distribution of Rams/Bucks as per guidelines of NLM. The State Department while preparing the proposal will decide the number and name of the districts of the State concerned where the project will be implemented, with justification for the number of bucks to be distributed in those districts. The Rams and Bucks will be the property of the State Government and would be circulated to village of another tehsil/ District after breeding for one year. <u>Selection of Breeds and price</u> All these are based on good record keeping and as per the following criteria: - 1. As per the State Government Breeding Policy of Small Ruminants, if any. 2. If it is a native breed tract, then only the native breed should be selected. 3. The Breed should be in the registered list of Breeds as on date with the National Bureau of Animal Genetic Resources (NBAGR) and list is available on the web site of the NBAGR. 4. To the extent feasible, only purebred Rams and Bucks should be selected for breeding. 5. The proposed procurement price of the Ram and Bucks should be based on the prevailing market rates. The price of the Ram and Bucks available on the Website of CSWRI Avikanagar CIRG, Makhdoom and CSBF, Hissar should be consulted as a reference. <u>Selection Committee</u> The Selection Committee for selection of Bucks and rams would consist of at least three members, including: 1. District level Veterinary Officer, 2. Sarpanch or Gram Panchayat Representative, 3. Representative of the Breeders society , if available, 4. Representative of the active NGO relating to Small Ruminant Development working in that area, 5. Block level Veterinary Officer. <u>Criteria for selection of ram/buck</u>: A good ram/buck meets the following criteria: 1. Animal should be healthy, have sound feet, interested in the surrounding does/ewes, with no obvious abnormalities. 2. Wide chest, straight body and strong masculine head and neck. 3. Strong limbs with no limb deformities especially of hind limbs. 4. Heavy muscles over the loins, hips and upper fore-legs. 5. Two well-developed testes. 6. Testicles should be seen easily from the back.

7. Testicles not hard neither too soft to touch.
8. No wounds or scars on scrotum.
9. Must look fierce or aggressive, and show libido (willingness to mount).
10. Should data like individual data, lifetime information data, pedigree information (parents& grandparents), progeny/ off-spring performance, performance of relatives, etc. be available, these are also to be taken into consideration as criteria for selection.

Insurance

All bucks and rams would be insured under Livestock Insurance Scheme of the NLM. The Rams/Bucks would be insured in the name of and by the State Animal Husbandry Department.

Feeding & Maintenance of Rams and Bucks

The concerned Gram Panchayat will give responsibility of Rams and Buck to Breeders Society/ SHG/ Community Animal Health Workers (priority should be given to Women's SHG or PashuSakhi) and be responsible for drawing up the terms of services, including setting of natural service charges to meet out management and feeding of Ram and Buck.

An agreement/MOU would be signed between the Panchayat/SHG/Breeders' Society and the State Government stating that the animal is given to the concerned Panchayat/SHG/Breeders' Society for its up keep and judicious use for breeding purposes, up gradation of breed and/or improvement in productivity of the native herds in the village.

The agreement /MOU should specify the terms and conditions for the upkeep and management of the buck/ram as decided by the Gram Panchayat and also clearly mention that the bucks should be exchanged among the villages on an annual basis; the exchange would be coordinated by the Block Level Veterinary Officer.

Vaccination and Deworming

The vaccination and Deworming of the rams and bucks would initially be done by the State Government Veterinarian or an authorized representative. Subsequently it would be the responsibility of the buck-keeper to ensure that all preventive measures are taken timely, with assistance of the local State Veterinary hospital/dispensary.

Exchange of Buck/Ram every year between the villages and District and culling

The Ram/Bucks would be exchanged every year and would be transferred to village of another Tehsil/ District to avoid inbreeding. The Rams and bucks would be culled after 5 year or/exhausting the reproductive life of the animals sale procees would go to the State Animal Husbandry Department for replacement of breeding bucks/rams.The Buck exchange programme would be coordinated by

		the Block Level Veterinary Officer. Cluster based mass de-worming / health cover programmes
4.	Pattern of financial assistance	Central assistance, as provided under Annexure-E. Further, as stated in General Guidelines, States may decide upon the sharing basis between State Government and beneficiary, if the component involves the latter.
5.	Implementing agencies	Central Government, State Government/ UTs,

Annexure-A-III(A)

Sub-mission: Livestock Development

Proforma for submitting proposal under the component of "Interventions towards productivity enhancement"

a.	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b.	Project ID
c.	Name of the Project and component under which project proposal is to be considered
d.	Financial Pattern of Assistance proposed
e.	Cost
f.	Duration a) Commencement (Year) b) Exp. Date of Completion
g.	Whether proposal is in accordance with the Mission guidelines?
h.	Whether the proposal recommended by SLEC and major objectives outlined
i.	STATE LIVESTOCK PROFILE: Points below may be given as relevant to the project and basic idea is to identify the gaps and how the project envisages filling the gap
j.	In case of Rural Backyard Poultry Development: Area of operation, undertaking for ensuring health care, number of BPL beneficiaries to be covered, number of mother units proposed, number of low-input technology birds proposed to be distributed etc.
k.	Whether forward and backward linkages have been tied up e.g. availability of seed/feed/markets etc.
l.	For technology up gradation / modernization projects, basic information on the technology /practice to be introduced should be furnished along with the benefits that would accrue.
m.	Whether issues of breeding, nutrition, management, veterinary health cover of the flocks/ birds including vaccination for diseases and basic biosecurity concerns addressed

n.	Whether training of the beneficiary farmers and marketing of the product have been addressed in the project
o.	Adoption of improved practices like application of area specific feed resources and hygienic/ biosecure shelters by dovetailing funding available under other ongoing schemes like NREGA need to be specified in the project.
p.	The project proposal should clarify whether financial /skilled human/other resources are available for operation /maintenance /continuation of the project.
q.	Review of implementation status of earlier projects of similar nature funded under RKVY or other Government schemes should be included.
r.	Are the Environmental, Pollution and Disaster Management norms of the State/ Country complied with?
s.	Whether UCs of funds released earlier submitted?
t.	Whether audited UCs of funds given in previous years furnished?
u.	Expected Output / per Unit / per beneficiaries
v.	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project.
w.	Growth Impact
x.	Any other relevant information related to the proposal:
y.	Name and signature of the Head of the implementing agency:
z.	Name and signature of the Head of the Animal Husbandry Department:

ANNEXURE-A-IV

Sub-mission: Livestock Development

Component IV: Risk Management

1.	Name of the sub-Components	**Risk Management**
2.	Objectives	The objective of the scheme is to management of risk and uncertainties by providing protection mechanism to the farmers against any eventual loss of their animals due to death and to demonstrate the benefit of the insurance of livestock to the people.
3.	Salient Features	The 'Risk Management & Insurance' as component of sub-mission on livestock development of NLM is to be implemented in all the Districts of the Country and, in case if new Districts are carved out of the existing Districts, than the new districts will also be covered. The indigenous / crossbred milch animals, pack animals (Horses, Donkey, Mules, Camels, Ponies and Cattle/Buff. Male) and Other livestock (Goat, Sheep, Pigs, Rabbit, Yak and Mithun) will be under the purview of the 'Risk Management & Insurance'. Benefit of subsidy is to be restricted to 5 animals per beneficiary per household for all animals except sheep, goat, pig and rabbit. In case of sheep, goat, pig and rabbit the benefit of subsidy is to be restricted based on 'Cattle Unit' and one cattle unit is equal to 10 animals' i.e for sheep, goat, pig and rabbit. Therefore the benefit of subsidy to sheep, goat, pig and rabbit is to be restricted to 5 'Cattle Unit' per beneficiary per house hold. If a beneficiary has less than 5 animals / 1 Cattle Unit can also avail the benefit of subsidy. The Risk management and Insurance component envisages the following payments from central funds as Grant's - in -Aid **(a)** Subsidy as per Annexure-E **(b)** 100% Payments of Honorarium to the Veterinary Practitioners and **(c)** 100% Publicity However a beneficiary may insure more than 5 animals by paying the full premium without availing the benefit of subsidy for all animals except sheep, goat, pig and rabbit. Similarly a beneficiary may insure more than 5 'Cattle Unit' by paying the full premium without availing the benefit of subsidy for sheep, goat, pig and rabbit. For this purpose, 'household' will be defined on the same lines as adopted under Mahatma Gandhi National Rural Employment Guarantee Act, 2005, here-in-after referred to as MNREGA for brevity. Efforts should be made to insure the animals for at least three years rather than one year. Special efforts will be made to associate and involve the registered milk societies / unions for insuring the animals belonging to the members of these societies / unions as a group. The insurance companies will also be persuaded to give some further concessions to these societies / unions with respect to rate of premium as the work of their agents will be reduced otherwise.

		In order to get the maximum benefit in terms of competitive premium rates, easier procedures of issue of policy and settlement of claims, Chief Executive Officer will be empowered to decide upon the Insurance company(s) and the terms and conditions. While selecting Insurance Company, besides premium rates offered, their capacity to provide services, terms and conditions and service efficiency on objective criteria should also be taken into account. The CEO will invite quotations in writing from those public and private general insurance companies having a network in the State/UTs or a considerable part of the State/UTs. Only one tender should be floated for the whole State/UTs considering state as a unit. The tender may comprise of 3 or more items defining the type of geographical / LWE area for which separate premium rates may be quoted by the insurance company/agencies. A tender committee would be constituted by the State/UTs Government in which one representative to be nominated by the Joint Secretary, DADF; GoI would be there who is responsible for implementing the 'Risk Management & Insurance' as component of sub-mission on livestock development of NLM in GoI. Under no circumstances, the rate of premium should exceed 3%, 3.5% and 4.0% for annual policies and 7.5%, 9.0% and 10.5% for three-year policies Normally, a single insurance company should be entrusted for insurance work in States/UTs for a particular type of area and if more than one company bids the same premium rate then the area should be divided equally in terms of Revenue Divisions or in absence of Revenue Divisions, region wise. Default in settlement of claim or any types of deficiency in services on part of Insurance Companies should immediately be brought to the notice of the Insurance Regulatory and Development Authority (IRDA) which is a nodal authority in the country in this regard with intimation to the District Monitoring Committee and DADF. The Service Tax, if applicable will be paid by the concerned beneficiary / State/UT Government as per the prevalent Rules. The Post Mortem Report of the deceased animal and examination of the animal while issuing insurance policy is to be carried out by the veterinary practitioners registered with the Veterinary Council of India. In order to generate confidence among the farmers about the efficacy of the 'Risk Management & Insurance' as component of sub-mission on livestock development of NLM, it is important that the policy cover should take effect once the basic formalities like identification of animal, its examination by the veterinary practitioner, assessment of its value and its tagging along with payment of the premium to the insurance company or its agent by the owner are completed. The selected insurance company will have to agree to this. However, it is possible that the selected Insurance Company may demand for whole premium in advance so that the insurance cover can take effect immediately after the owner pays the beneficiary share. In order to take care of this problem, there could be an arrangement by which the admissible percentage of the premium amount of the Central and State Share, of maximum number of animals that generally expected to be insured in a period of three month, is paid in advance to the insurance company by the CEO. The selected insurance company, on its part, should issue instructions to their branches that as and when share of the premium is paid by the owner, they should

issue the policy with immediate effect. Target of getting the number of animals insured in one month period for payment of advance to the Insurance Company should be on realistic basis and recouping of the advance fund should be on the basis of subsequent progress made by the concerned Insurance Company.

An animal will be insured for its current market price. The market price of the animal to be insured will be assessed jointly by the beneficiary and the insurance company preferably in the presence of the Veterinary officer or the BDO. The minimum value of animal should be assessed by taking Rs.3000 per liter per day yield of milk or as per the price prevailing in the local market (declared by Government) for cow and Rs.4000 per liter per day yield of milk or as prevailing in the local market (declared by Government) for buffalo. The market price of pack animals (Horses, Donkey, Mules, Camels, Ponies and Cattle/Buff. Male) and Other livestock (Goat, Sheep, Pigs, Rabbit, Yak and Mithun) are to be assessed by negotiation jointly by owner of animal and by insurance company in the presence of veterinarians Doctor. In case of dispute the price fixation would be settled by the Gram Panchayat / BDO.

The animal insured will have to be properly and uniquely identified at the time of insurance claim. The ear tagging should, therefore, be full proof as far as possible. The traditional method of ear tagging or the recent technology of fixing microchips could be used at the time of taking the policy. The cost of fixing the identification mark will be borne by the Insurance Companies and responsibility of its maintenance will lie on the concerned beneficiaries. The nature and quality of tagging materials will be mutually agreed by the beneficiaries and the Insurance Company. The Veterinary Practitioners may guide the beneficiaries about the need and importance of the tags fixed for settlement of their claim so that they take proper care for maintenance of the tags. The tag already available on animal may be utilized with unique identity number subject to the condition that it is mutually agreed by farmer and agency and there shall not be any dispute in settlement of claims on account of utilization of existing tag. While processing an insurance proposal, one photograph of the animal with the Owner and one photograph of the animal clearly with the EAR TAG visible shall be taken at the time of processing the insurance documentation.

In case of sale of the animal or otherwise transfer of animal from one owner to other, before expiry of the Insurance Policy, the authority of beneficiary for the remaining period of policy will have to be transferred to the new owner. The modalities for transfer of livestock policy and fees and sale deed etc required for transfer, should be decided while entering into contract with the insurance company.

The method of settlement of claim should be very simple and expeditious to avoid unnecessary hardship to the insured. While entering into contract with the insurance company, the procedure to be adopted / documents needed for settlement of claim should be clearly spelt out. Only four documents would be required by insurance companies for settling the claims viz. intimation with the Insurance Company, Insurance Policy paper, Claim Form and Postmortem Report. All documents/forms for insuring as well as settling the claims should be made available by the insurance agency in local language or in English language. In case the farmers' copy of the Insurance Policy paper is lost then the Insurance Company would immediately issue duplicate Insurance Policy paper. In

		case of claim becoming due, the payment of insured amount should be made within 15 days positively after submission of requisite documents. If an Insurance company fails to settle the claim within 15 days of submission of documents, the insurance company will be liable to pay, a penalty of 12% compound interest per annum to the beneficiary. While insuring the animal, CEOs must ensure that clear cut procedures are put in place for settlement of claims and the required documents are listed and the same is be made available to concerned beneficiaries along with the policy documents. The beneficiary should get full payment of the sum insured in case of death of animals. In case, there are delays in settling a claim or the claim is rejected, it must be fully justified by the concerned insurance company to the claimant under intimation to District Monitoring Committee and also to SIA. The provisions to these effects must be incorporated in the MOU with the insurance companies. It has been decided to pay an honorarium of Rs 50/- per animal at the stage of insuring the animal and Rs. 125/- per animal at the stage of conducting post-mortem and issuing post-mortem certificate in case of any insurance claim. Central Government will provide the amount needed for payment of honorarium to the SIAs. The CEOs should ensure that payment is made to Veterinary Practitioners at the end of each quarter for the animal's insured and veterinary certificates issued by them in that quarter. It has been felt that the onus of making the 'Risk Management & Insurance' as component of sub-mission on livestock development of NLM more popular lines with the insurance agency. The expenditure on publicity, therefore, needs to be minimized Efforts will be made to evolve Howveredairy cooperative societies, PRI and other agencies that have direct contact with milk producers in different ways; e.g. Gau-Mitras, Panchayati Raj Bodies, etc is to be involved in publicity. For this purpose the CEOs are empowered to provide assistance not exceeding Rs.50,000/- for Provincial Co-operative Dairy Federation (PCDF)/other agencies, not exceeding Rs.15,000/- for District Panchayat / other agencies and Rs.1,500/- for Block Panchayat / other agencies per annum either in cash and in the form of publicity material or a mix of both.
4.	Pattern of financial assistance	Central assistance as per **Annexure-E**
5.	Implementing agencies	DADF is implementing the Centrally Sponsored 'Risk Management & Insurance' as component of sub-mission on livestock development of NLM is implemented through the SIAs such as State Livestock Development Board/Agency which are also implementing National Project for cattle & buffalo and breeding. In states/UTs where there are no SIAs, the 'Risk Management & Insurance' Scheme will be implemented through the State/UTs Animal Husbandry Departments

ANNEXURE-A-IV(A)

Sub-mission: Livestock Development

Proforma for submitting proposal under the component of "RISK MANAGEMENT" & INSURANCE"

a.	Name of the Implementing agency / Organization / Department:
b.	a) Address:
c.	b) Telephone No. and Fax No.:
d.	c) Email ID of the HOD:
e.	Present status of requirement: a) Fund released as on date: d) Actual Expenditure incurred: b) Balance available: c)Interest accrued on Central Grants:
f.	Premium Rate: a) For One year b) For three year
g.	Honorium
h.	Publicity
i.	Subsidy on premium
j.	Animals Insured: a) For one year b) For three year c) Total
k.	Beneficiaries: a) SC/ST Beneficiaries b) General Beneficiaries c) Total
l.	Claims made
m.	Claim settle
n.	Any other relevant information related to the proposal:
o.	Name and signature of the Head of the implementing agency:
p.	Name and signature of the Head of the Animal Husbandry Department:

Annexure-A-V

Sub-mission: Livestock Development

Component V: Conservation of Livestock Breeds

1.	Name of the Component/ Sub-components (if any)	**Conservation of Livestock Breeds**
2.	Objectives	1. The States will be encouraged to undertake a structured programme of identification and documentation of new breeds. 2.The universities will also be involved under this programme so that new varieties proposed to be registered are first studied at the State University level, then at the level of NBAGR before they are finally registered as breeds. 3. These activities will be monitored by a State Level Committee on Animal Genetic Resources which will also take stock of population dynamics of the existing breeds whose native tracts lie in the State. 4. Annual seminars, workshops, etc. will also be organized to enhance awareness of all stakeholders. 5. Establishment of farmers / breeders organizations with the objective of registration of two specimens of the breed and maintenance of breed registry will also be supported under this component.
3.	Salient Features	1. Conservation of Indigenous Threatened breeds of livestock 2. A Watch list of the Threatened Breeds
4.	Pattern of financial assistance	As per the NLM Guidelines Under this component, annual grant of Rs.20.00 lakh for nucleus breeding farms involving small animals (sheep, goat, pig and poultry) will be provided and for large animals (horse, camel, yak, etc.) an annual grant of Rs.40.00 lakh will be provided
5.	Implementing agencies	1. State Government 2. Livestock Development Corporation 3. State Animal and Veterinary Universities 4. NGO and Breeding Organizations, Societies

Annexure-A-V(A)

Sub-mission: Livestock Development

Proforma for submitting proposal under the component of "Conservation of Livestock Breeds"

a.	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b.	Project ID
c.	Name of the Project and component under which project proposal is to be considered
d.	Financial Pattern of Assistance proposed
e.	Cost
f.	Duration a) Commencement (Year) b) Exp. Date of Completion
g.	Whether proposal is in accordance with the Mission guidelines?
h.	Name of the Breed to be Conserved-
i.	Population of the breed in the state and breeding tract
j.	Details of the Previous Proposals
k.	Details of other projects for conservation of breeds
l.	Reasons for conservation of breed and its use
m.	Whether UCs of funds released earlier submitted?
n.	Whether audited UCs of funds given in previous years furnished?
o.	Expected Output / per Unit / per beneficiaries
p.	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project.
q.	Growth Impact
r.	Any other relevant information related to the proposal:
s.	Name and signature of the Head of the implementing agency:
t.	Name and signature of the Head of the Animal Husbandry Department:
u.	**Detailed Project Report:** (i) Details of Registration of Breed with NBAGR (ii)No. of breeding males and females present (iii)No to be conserved (iv)Future population after completion of the project (v)Economic and social importance of the breed (vi)Detailed Techno-economic feasibility report with physical and financial projections

Annexure-A-VI

Sub-mission: Livestock Development

Component VI: Development of Minor Livestock Species

1.	Name of the Component/ Sub-components (if any)	**Development of Minor Livestock Species**
2.	Objectives	The XI Plan schemes of the department did not cover development of equines and yaks. It will be responsibility of the State Government to verify the credentials of the NGO before forwarding their proposal. It is proposed to keep a window open for consideration of proposals for development of these species. . Proposals for development of working equines will be received through the State Governments and non-government organizations will be eligible to submit proposals
3.	Salient Features	1. Development of Equines and yaks 2. Development of donkeys and other minor livestock species
4.	Pattern of financial assistance	A ceiling of Rs. 75.00 lakh per proposal will be fixed subject to technical feasibility of the proposals and their relevance to development of the minor livestock species not covered under any other programme
5.	Implementing agencies	1. State Government 2. Livestock Development Corporation 3. State Animal and Veterinary Universities 4. NGO and Breeding Organizations, Societies

Annexure-A-VI(A)

Sub-mission: Livestock Development

Proforma for submitting proposal under the component of "Development of Minor Livestock Species"

a.	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b.	Project ID
c.	Name of the Project and component under which project proposal is to be considered
d.	Financial Pattern of Assistance proposed
e.	Cost (In Crore)
f.	Duration a) Commencement (Year) b) Exp. Date of Completion
g.	Whether proposal is in accordance with the Mission guidelines?
h.	Species to be developed
i.	Details of the animals to be developed
j.	Population in the tract
k.	Populations in the state
l.	Reasons for conservation
m.	Whether UCs of funds released earlier submitted?
n.	Whether audited UCs of funds given in previous years furnished?
o.	Expected Output / per Unit / per beneficiaries
p.	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project.
q.	Growth Impact
r.	Any other relevant information related to the proposal:
s.	Name and signature of the Head of the implementing agency:
t.	Name and signature of the Head of the Animal Husbandry Department:
u.	(i) Detailed Project Report: (ii)Detailed Techno-economic feasibility report with physical and financial projections

Sub-mission: Livestock Development

Component VII: Utilization of Fallen Animals

1.	**Name of the Component**	**Utilization of Fallen Animals**
2.	Objectives	i. To Prevent bird-hit hazards to civil and defence aircrafts. ii. To Prevent environmental pollution and spread of livestock diseases. iii. To Produce better quality hides and skins through timely recovery, better handling and transport. iv. Mandatory under Prevention and Control of Infectious and Contagious Disease in Animal Act, 2009 to dispose-off the fallen animals/carcasses properly. v. To Provide opportunity of employment to poorest of poor engaged in carcass collection, flaying and by-product processing
3.	Pattern of financial assistance	Central assistance as one time subsidy, as provided under **Annexure-E**
4.	Beneficiaries	Municipalities/Local bodies/State Government.
5.	Implementing agencies	Municipalities / Department of Animal Husbandry of the States. States may involve NGOs, SHGs, Co-operatives. However, funds will be released through State Government concerned.

Annexure-A-VII(A)

Sub-mission: Livestock Development

Proforma for submitting proposal under the component of "Utilization of Fallen Animals"

a	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b	Project ID
c	Name of the Project and component under which project proposal is to be considered:
d	Whether requisite approval/s of competent authority/ies has/have been obtained:
e	Project Cost (In lakh) recommended by the State a. State share: b. Central share:
f	Financial Pattern of Assistance proposed:
g	Details of foreign currency, if any required for the project, :
h	Ownership/Lease of land proposed for the project:
i	Location of the project/plant and distance from nearest airport:
j	Distance from nearest Veterinary Hospital:
k	Duration a. Commencement (Year): b. Expected Date of Completion:
l	Whether proposal is in accordance with the NLM guidelines?
m	Whether UCs (in form 19-A) of funds released earlier submitted?
n	Whether audited UCs of funds given in previous years furnished?
o	Processing capacity of the plant (kg per shift or number of animals per shift of 8 hrs.):
p	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project.
q	Locking period:
r	Previous experience related to the field, if any:
s	Information on raw material availability:
t	Any other relevant information related to the proposal:
u	Name and signature of the Head of the implementing agency:
v	Name and signature of the Head of the Animal Husbandry Department:
w	Detailed Project Report:

Sub-mission: Livestock Development

Component VIII: Establishment of Rural Slaughter Houses

1	**Name of the Component**	**Establishment of Rural Slaughter Houses**
2	Objectives	i. To establish a new system of slaughter of livestock, ii. To establish/modernise slaughter houses, which can be operated by private entrepreneurs in rural and semi-urban areas with population of less than 50,000, iii. To encourage value addition to products in rural areas so that livestock owners get better income with proper utilization of by-products, iv. To ensure hygiene in meat production from slaughter houses to consumers' table by establishing network of cold chains and distribution on commercial basis.
3	Pattern of financial assistance	Central assistance as one time subsidy, as provided under **Annexure-E**
4	Beneficiaries	Panchayats/Local bodies/State Government.
5	Implementing agencies	Panchayats /Department of Animal Husbandry of the States. States may involve NGOs, SHGs, Co-operatives, Entrepreneur. However, funds will be released through State Government concerned.

Annexure-A-VIII(A)

Sub-mission: Livestock Development

Proforma for submitting proposal under the component of "Establishment of Rural Slaughter Houses"

a.	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b.	Project ID
c.	Name of the Project and component under which project proposal is to be considered:
d.	Whether requisite approval/s of competent authority has/have been obtained:
e.	Project Cost (in Lakh) recommended by the State a. State share b. Central share
f.	Financial Pattern of Assistance proposed:
g.	Details of foreign currency, if any required for the project, :
h.	Ownership of land proposed for the project:
i.	Location of the project/plant:
j.	Distance from the nearest town and population of the town:
k.	Duration a) Commencement (Year): b) Expected Date of Completion:
l.	Whether proposal is in accordance with the NLM guidelines?
m.	Whether UCs of funds released earlier submitted?
n.	Whether audited UCs of funds given in previous years furnished?
o.	Expected number of animals to be slaughtered per day
p.	Proposed capacity (species- wise) per shift of 8 hrs.
q.	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project.
r.	Lock in period:
s.	Any other relevant information related to the proposal:
t.	Name and signature of the Head of the implementing agency:
u.	Name and signature of the Head of the Animal Husbandry Department:
v.	Detailed Project Report:

Annexure-B-I

SUB MISSION: PIG DEVELOPMENT IN NER

Component I: Strengthening of Farms

1	**Name of the Component**	**Strengthening of Farms**
2	Objectives	1. For production and supply of improved germ plasm 2. To encourage commercial rearing of pigs by adopting scientific methods and creation of infrastructure 3. To improve production performance of native breed through cross breeding by using selected animals of high performing breeds through artificial insemination and natural services, while preserving local germ plasm in specified areas.
3	Pattern of financial assistance	Central assistance as one time grant, as provided under **Annexure-E**.
4	Beneficiaries	State Government.
5	Implementing agencies	Department of Animal Husbandry of the States, Semi Government Organisation, However, funds will be released through State Government concerned.

Annexure-B-I(A)

SUB MISSION: PIG DEVELOPMENT IN NER

Proforma for submitting proposal under the component of "Strengthening of Farms"

a	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b	Project ID
c	Name of the Project and component under which project proposal is to be considered:
d	Whether requisite approval/s of competent authority has/have been obtained:
e	Project Cost (In Crore) recommended by the State a State share: bCentral share:
f	Financial Pattern of Assistance proposed:
g	Details of foreign currency, if any required for the project, :
h	Ownership of land proposed for the project:
i	Location of the project/plant:
j	Distance from nearest Veterinary Hospital:
k	Duration c) Commencement (Year): d) Exp. Date of Completion:
l	Whether proposal is in accordance with the Mission guidelines?
m	Whether UCs of funds released earlier submitted?
n	Whether audited UCs of funds given in previous years furnished?
o	Expected Output / per Unit / per beneficiaries
p	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project.
q	Locking period:
r	Any other relevant information related to the proposal:
s	Name and signature of the Head of the implementing agency:
t	Name and signature of the Head of the Animal Husbandry Department:

Annexure-B-II

SUB MISSION: PIG DEVELOPMENT IN NER

Component II: Import of Germplasm

1	**Name of the Component**	**Import of Germplasm**
2	Objectives	To assist States for import pig Germplasm/frozen semen/embryo to upgrade and enhance pig production in the country.
3	Pattern of financial assistance	Central assistance as one time grant, as provided under **Annexure-E**
4	Beneficiaries	State Government.
5	Implementing agencies	Department of Animal Husbandry of the States, Semi Government Organisation

Annexure-B-II(A)

SUB MISSION: PIG DEVELOPMENT IN NER

Proforma for submitting proposal under the component of "Import of Germplasm"

a	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b	Project ID
c	Name of the Project and component under which project proposal is to be considered:
d	Whether requisite approval/s of competent authority has/have been obtained:
e	Project Cost (In Crore) recommended by the State a State share: bCentral share:
f	Financial Pattern of Assistance proposed:
g	Details of foreign currency, if any required for the project, :
h	Technical experts available:
i	Location of the project/plant and infrastructure:
j	Training facilities:
k	Duration e) Commencement (Year): f) Exp. Date of Completion:
l	Whether proposal is in accordance with the Mission guidelines?
m	Whether UCs of funds released earlier submitted?
n	Whether audited UCs of funds given in previous years furnished?
o	Expected Output / per Unit / per beneficiaries
p	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project.
q	Locking period:
r	Any other relevant information related to the proposal:
s	Name and signature of the Head of the implementing agency:
t	Name and signature of the Head of the Animal Husbandry Department:

Annexure-B-III

SUB MISSION: PIG DEVELOPMENT IN NER

Component III: Support to Breeding Programmes

1	**Name of the Component**	**Support to Breeding Programmes**
2	Objectives	To assist NE States for breeding programmes to be implemented by selected organizations both in Government and Semi-government sector that will provide breeding materials for the multiplication herds either in the Government sector or private entrepreneurs supported under NMPS. Performance of the animals in such breeding programmes will be analysed scientifically for constant improvement in performance and a proper animal identification and performance recording system will be followed.
3	Pattern of financial assistance	Central assistance as one time grant, as provided under **Annexure-E**
4	Beneficiaries	State Government/Semi-Government Organisations
5	Implementing agencies	Department of Animal Husbandry of the States. States may involve Semi-Government Organisation i.e. SAU, SVU, ICAR, Corporative. However, funds will be released through State Government concerned.

Annexure-B-III(A)

SUB MISSION: PIG DEVELOPMENT IN NER

Proforma for submitting proposal under the component of "Support to Breeding Programmes"

a	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b	Project ID
c	Name of the Project and component under which project proposal is to be considered:
d	Whether requisite approval/s of competent authority has/have been obtained:
e	Project Cost (In Crore) recommended by the State a. State share: b. Central share:
f	Financial Pattern of Assistance proposed:
g	Details of foreign currency, if any required for the project, :
h	Technical experts available:
i	Location of the project/plant and infrastructure:
j	Training facilities:
k	Duration a) Commencement (Year): b) Exp. Date of Completion:
l	Whether proposal is in accordance with the Mission guidelines?
m	Whether UCs of funds released earlier submitted?
n	Whether audited UCs of funds given in previous years furnished?
o	Expected Output / per Unit / per beneficiaries
p	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project.
q	Locking period:
r	Any other relevant information related to the proposal:
s	Name and signature of the Head of the implementing agency:
t	Name and signature of the Head of the Animal Husbandry Department:

Annexure-B-IV

SUB MISSION: PIG DEVELOPMENT IN NER

Component IV: Propagation of Reproductive Technologies

1	**Name of the Component**	**Propagation of Reproductive Technologies**
2	Objectives	To support NE States for training of functionaries in artificial insemination technology and State Government and other multiplication farms in setting up artificial insemination centres. This component will also support import of embryos and setting up embryo transfer facilities in organizations implementing a scientific breeding programme to supply breeding stock to the multiplication farms.
3	Pattern of financial assistance	Central assistance as one time grant, as provided under **Annexure-E**
4	Beneficiaries	State Government
5	Implementing agencies	Department of Animal Husbandry of the States. States may involve Semi-Government Organisation i.e. SAU, SVU, ICAR, NGO, Corporative. However, funds will be released through State Government concerned.

Annexure-B-IV(A)

SUB MISSION: PIG DEVELOPMENT IN NER

Proforma for submitting proposal under the component of "Propagation of Reproductive Technologies"

a	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b	Project ID
c	Name of the Project and component under which project proposal is to be considered:
d	Whether requisite approval/s of competent authority has/have been obtained:
e	Project Cost (In Crore) recommended by the State c. State share: d. Central share:
f	Financial Pattern of Assistance proposed:
g	Details of foreign currency, if any required for the project, :
h	Technical experts, training facilities available:
i	Location of the project/plant and infrastructure:
j	In case of Semi Government, Cooperatives etc. MoU with the State Government:
k	Duration c) Commencement (Year): d) Exp. Date of Completion:
l	Whether proposal is in accordance with the Mission guidelines?
m	Whether UCs of funds released earlier submitted?
n	Whether audited UCs of funds given in previous years furnished?
o	Expected Output / per Unit / per beneficiaries
p	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project.
q	Locking period:
r	Any other relevant information related to the proposal:
s	Name and signature of the Head of the implementing agency:
t	Name and signature of the Head of the Animal Husbandry Department:

Annexure-B-V

SUB MISSION: PIG DEVELOPMENT IN NER

Component V: Health Cover

1	**Name of the Component**	**Health Cover**
2	Objectives	To support NE States for prevention & control of important diseases of pigs like Classical Swine Fever (CSF) and Foot and Mouth Diseases (FMD). Control of parasites of the neonates (Ascaris) will also be covered under the programme.
3	Pattern of financial assistance	Central assistance as one time grant, as provided under **Annexure-E**
4	Beneficiaries	State Government
5	Implementing agencies	Department of Animal Husbandry of the States. States may involve Semi-Government Organisation i.e. SAU, SVU, ICAR, NGO, Corporative. However, funds will be released through State Government concerned.

Annexure-B-V(A)

SUB MISSION: PIG DEVELOPMENT IN NER

Proforma for submitting proposal under the component of "Health Cover"

a	Name of the Implementing agency / Organization / Department & details of Nodal Officer:
	i) Address:
	ii) Telephone No. and Fax No.:
	iii) Email ID of the HOD:
b	Project ID
c	Name of the Project and component under which project proposal is to be considered:
d	Whether requisite approval/s of competent authority has/have been obtained:
e	Project Cost (In Crore) recommended by the State a. State share: b. Central share:
f	Financial Pattern of Assistance proposed:
g	Details of foreign currency, if any required for the project, :
h	Technical experts, training facilities available:
i	Location of the project/plant and infrastructure:
j	In case of Semi Government, Cooperatives etc. MoU with the State Government:
k	Duration a. Commencement (Year): b. Exp. Date of Completion:
l	Whether proposal is in accordance with the Mission guidelines?
m	Whether UCs of funds released earlier submitted?
n	Whether audited UCs of funds given in previous years furnished?
o	Expected Output / per Unit / per beneficiaries
p	Expected Outcomes: Likely production /Productivity increase subsequent to the implementation of the project.
q	Locking period:
r	Any other relevant information related to the proposal:
s	Name and signature of the Head of the implementing agency:
t	Name and signature of the Head of the Animal Husbandry Department:

Annexure-C-I

Sub-mission: Fodder and Feed Development

Component I: Fodder production from Non-forest wasteland /rangeland/ / non-arable land

1	Name of the Component	Fodder production from Non-forest wasteland / rangeland / grassland / non-arable land
2	Objectives	(i) Rehabilitation of degraded Non-forest wasteland / rangeland / grassland / non-arable land by introducing suitable grass, legumes and fodder trees
		(ii) Increasing production of palatable grasses / legumes / tree leaves
		(iii) Production of bio-mass to minimize the gap between availability and requirement of fodder
		(iv) Creating surplus reserve of forage for use during lean periods / crisis situations
3	Salient Features	The component will enable improvement of degraded Non-forest wasteland / rangeland / grassland/ non-arable land, and enhance the vegetation cover of problematic soils like saline, acidic and heavy soil. Under this programme the specific fodder trees, perennial grasses and legumes will be identified for particular type of soil, so that a vegetation cover may be provided which will not only give additional quantity of fodder but will also improve the fertility status of land by introducing suitable legumes. The categorization of different types of land has been done (Annexure-C.I (B)) and indicative cost norms are given at **Annexure-E.** In case of individual farmers, proposals for minimum one ha. area and in case of Government land / community land / Gaushalas, proposals for minimum 2.50ha and in multiples of 2.50ha may be taken up for perennial fodder crops for at least 3 years on the same site. However, to cover more area at one site, the estimates should be worked out accordingly. The implementing agencies may, if necessary, provide variations in cost of different items, subject to total ceiling for a particular type of land. For coverage of larger area for pasture development, State Govt. may take up additional measures in the detailed plans, including import of grasses and legumes seed. Individual farmers can also take up perennial Fodder crops cultivation in their fields. Such farmers will have to enter into a legally binding agreement or Memorandum of Understanding with the concerned implementing State Department for ensuring continuity of operations, with an undertaking that the land shall be maintained under grassland at least for 3 years; otherwise, the farmers will have to refund the whole

		amount of Govt. assistance. The area to be developed as grassland should be outside the municipality / municipal corporation limits, and if in the district a development authority has been constituted then it should be outside the Development area.
4	Pattern of financial assistance	Central assistance as one time subsidy, as provided under Annexure-E. The whole part of state share can either be met by the State Govt. or State can seek the whole part from the beneficiary or State can share the same with beneficiaries.
5	Implementing agencies	State Department of Animal Husbandry / Agriculture / Forest, Milk Cooperatives / Federations, Gaushalas. However, funds will be released through State Government.

Annexure-C-I(A)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposal under the component of "Fodder production from Non-forest wasteland / rangeland / grassland / non-arable land"

a.	Name of the Implementing agency / Organization / Department:
	a) Address:
	b) Telephone No. and Fax No.:
	c) Email ID of the HOD:
b.	Present status of requirement and availability of green and dry fodder in the State
c.	Present statistics of grasslands available in the:
	i) State :
	ii) With the implementing agency:
d.	Whether clarification about arrangement of State share has been done? If yes, details may be provided.
e.	Location and addresses of plots already developed, if any under the scheme and, proposed to be developed (Full details must be provided – on Survey No., Khasra No., etc., duly certified by a Revenue official not below the rank of a Tehsildar).
f.	Whether area is leased (for at least 3 years in case of farmer for using the land for grass perennial crop production) or owned by Agency seeking assistance for Grassland & Fodder Development
g.	Distance of the site from the Municipal boundary / Development area boundary in case of lands other than individual farmers.
h.	Type of Grasses, Trees, and legumes to be sown (Full details, with botanical names upto variety level, if applicable)
i.	Quantity of seeding / planting material required for development of grassland:
j.	Whether seeding material is available with the organization (give details) or specify the source of availability of the seeding material:
k.	Cost estimate and requirement of funds for development of proposed grasslands
l.	Anticipated quantity of green / dry fodder to be produced from the proposed grasslands after development:
m.	Mode of disposal of fodder produced:
n.	Any other relevant information related to the proposal:
o.	Name and signature of the Head of the implementing agency:
p.	Name and signature of the Head of the Animal Husbandry Department:

Annexure-C-I(B)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposal under the component of "Fodder production from Non-forest wasteland / rangeland / grassland / non-arable land"

(In rupees per ha.)

S. No.	Item	CPR, Gochar land /com munity land / waste land which need treatment of soil.	CPR, Gocher land / community land / waste land which does not need treatment of soil	Govt. Farm/ Goshala land	Forest land / Grassland in remove area	Individual farmers
Continuing Parameters						
A. Capital Investment						
(a)	Demarcation of boundary, fencing/ (trench / brushwood / barbed wire)	7500	7500	2000	7000	0.00
(b)	Land Development	10000	7500	5000	5000	0.00
(c)	Farm sheds – for equipment, seed, manure, and office	15000	15000	0.00	0.00	0.00
(d)	Purchase of agricultural implements	5000	5000	5000	2500	0.00
(e)	Creation of irrigation facilities: wells, pumps, power line, water tank, pump room, pipelines etc.	37500	30000	25000	7500	0.00
	Sub- Total	75000	65000	37000	22000	0.00
B.	Recurring Expenditure					
i.	Wages of supervisory staff	2000	2000	5000	5000	0.00
ii.	Seeds, fertilizer/ manure, insecticides	4000	4000	6000	6000	12000
iii.	Cultivation charges	10000	5000	6000	6000	12000
iv.	Irrigation electricity / fuel charges	3000	3000	5000	5000	0.00
v.	Maintenance of Store/dead stock	3000	3000	3000	3000	0.00
vi.	Miscellaneous and unforeseen expenses	3000	3000	3000	3000	6000
	Sub-Total	25000	20000	28000	28000	30000
	Grand Total	100000	85000	65000	50000	30000

Note:

a) 75% central assistant will be provided out of above rates for one hectare.

b) Funds for improvement of grasslands by reseeding, import of fodder seeds, transportation, labour wages will be as per rates available at that time of submitting the project proposal.

Annexure-C-II

Sub-mission: Fodder and Feed Development

Component II: Fodder production from Forest land

1.	Name of the Component	Fodder production from Forest land
2.	Objectives	(i) Rehabilitation of degraded Forest land by introducing suitable grass, legumes and fodder trees
		(ii) Increasing production of palatable grasses / legumes / tree leaves, along with improving the forest floor
		(iii) Production of bio-mass to minimize the gap between availability and requirement of fodder
		(iv) Creating surplus reserve of forage for use during lean periods / crisis situations
3.	Salient Features	The component will enable rehabilitation and improvement of degraded forest land, and enhance the vegetation cover of degraded forest areas. Under this program, effective protection will be provided to the degraded forest area, and natural regeneration will be assisted through planting of fodder trees, perennial grasses and legumes suitable to a forest area, so that vegetation cover density may be improved, which will not only give additional quantity of fodder but will also improve the overall health of the forest. This component will be implemented by the Forest Department of the concerned State / UT, preferably with the assistance of the Joint Forest Management Committees. The cost norms will be as per the schedule of rates approved by the competent authority in the Forest Department, subject to a maximum of Rs. 50,000/- per hectare. The categorization of different types of land has been done (Annexure-C.I (B)) and indicative cost norms are given at **Annexure-E.** The implementing agencies may, if necessary, provide variations in cost of different items, subject to total ceiling for a particular type of land. For coverage of larger area for pasture development, State Govt. may take up additional measures in the detailed plans, including import of grasses and legumes seed. The area to be developed as grassland should be outside the municipality / municipal corporation limits, and if in the district a development authority has been constituted then it should be outside the Development area.
4.	Pattern of financial assistance	Central assistance as one time subsidy, as provided under Annexure-E. The whole part of state share can either be met by the State Govt. or State can seek the whole part from the beneficiary or State can share the same with beneficiaries
5.	Implementing agencies	Forest Department of the State / UT

Annexure-C-II(A)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposal under the component of "Fodder production from Forest land"

a.	Name of the HOD:
	a) Address:
	b) Telephone No. and Fax No.:
	c) Email ID of the HOD:
b.	Location and addresses of forest areas already developed, if any under the scheme and, proposed to be developed (Full details must be provided – on Forest Division, Range, Beat, Block, Compartment No., etc., duly certified by a Forest official not below the rank of a Forest Range Officer).
c.	Whether clarification about arrangement of State share has been done? If yes, details may be provided.
d.	Name of the Joint Forest Management Committee, along with other relevant details [if applicable]
e.	Type of Grasses, Trees, and legumes to be sown (Full details, with botanical names upto variety level, if applicable)
f.	Quantity of seeding / planting material required:
g.	Whether seeding material is available with the Department (give details) or specify the source of availability of the seeding material:
h.	Cost estimate and requirement of funds (The HOD to certify that the cost norms are based on schedule of rates duly approved by the competent authority. Administrative and Technical Sanction to be attached)
i.	Anticipated quantity of green / dry fodder to be produced from the proposed grasslands after development:
j.	Mode of disposal of fodder produced (Internal utilization by the JFM committee, and surplus quantities to the disposed / sold):
k.	Any other relevant information related to the proposal:
l.	Name and signature of the Head of the Department:

Annexure-C-III

Sub-mission: Fodder and Feed Development

Component III: Fodder Seed Production / Procurement & Distribution

1.	Name of the Component	Fodder Seed Production / Procurement and Distribution
2.	Objectives	Promoting cultivation of superior variety of fodder crops for fodder seeds (breeder, foundation and certified seed), preferably through contract farming, with a buy back arrangement, and distribution of seeds among the farmers.
3.	Salient Features	This component aims at creation of assured market for quality fodder seeds. The State Govts. will assess the requirement of fodder seeds of the state & procure foundation seeds of desired varieties the Regional Fodder Stations (RFS) of GOI and thereafter if seeds are not available with RFS then same can be procured from Universities, NSC, SFCI and Research Institutes of ICAR. States will further multiply these seeds through farmers, Department of Animal Husbandry/ Agriculture, SHGs, Government Corporations, Milk Cooperatives/ Federation / Central and State Agriculture or Veterinary Colleges / Universities and may enter into a buy back arrangement of fodder seeds produced by these agencies for preparation of minikits for further distribution among the farmers for fodder production, thereby passing the Central subsidy to the farmers. Only certified seeds will be distributed to the farmers alternatively the States may make an agreement with seed supplying agencies (excluding Private Entrepreneurs) for supply of fodder seeds inclusive of transportation cost upto delivery point of minikits.
4.	Pattern of financial assistance	Central assistance as one time subsidy, as provided under Annexure-E. The whole part of state share can either be met by the State Govt. or State can seek the whole part from the beneficiary or State can share the same with beneficiaries. States will have to purchase the seed from Regional Fodder Stations on first hand, in case seeds are not available with the Regional Fodder Stations, then before purchasing seeds from outside agency they will obtain an NOC from the concerned Regional Fodder Station.
5.	Beneficiaries	Farmers (including Members of Milk Cooperatives/ Federations).
6.	Implementing agencies	Department of Animal Husbandry/ Agriculture of the States. States may involve NGOs, SHGs, Corporations, Milk Cooperatives/ Federation / Central and State Agriculture or Veterinary Colleges / Universities for supply of seeds.

Annexure-C-III(A)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposal for Fodder Seed Production / Procurement & Distribution.

<table>
<tr><td>a.</td><td colspan="6">Name of implementing agency/Organization/Department:</td></tr>
<tr><td></td><td colspan="6">i. Location:</td></tr>
<tr><td></td><td colspan="6">ii. Address:</td></tr>
<tr><td></td><td colspan="6">iii. Telephone No. and Fax No.:</td></tr>
<tr><td></td><td colspan="6">iv. E-mail ID of the HOD:</td></tr>
<tr><td>b.</td><td colspan="6">Present status of requirement and availability of green and dry fodder in the State :</td></tr>
<tr><td>c.</td><td colspan="6">Whether clarification about arrangement of State share has been done? If yes, details may be provided.</td></tr>
<tr><td>d.</td><td colspan="6">Requirements of fodder seeds of cultivated crops, grasses and legumes in the State</td></tr>
<tr><td>e.</td><td colspan="6">Availability of fodder seeds of cultivated crops, grasses and legumes in the State</td></tr>
<tr><td>f.</td><td colspan="6">Following details may be provided (Procurement of seed or seed production is to be taken up by the State at their level for minikit preparation):</td></tr>
<tr><td>Type of seed crop/variety to be procure-d and quality of seed</td><td>Source of procurement of Seeds</td><td>Quantity to be procured
(in qtls.)</td><td>Rate of procurement of seed (Rs per qtls.)</td><td>Cost of seeds to be procured
(Rs. in lakh)</td><td>75% cost of seed to be procured (Central share)
(Rs.in lakh)</td><td>25% cost of seed arranged by the State Government
(Rs. in lakh)</td></tr>
<tr><td>g.</td><td colspan="6">Whether agreement has been made with seed supplying agency, if yes, the copy of agreement to be enclosed:</td></tr>
<tr><td>h.</td><td colspan="6">Time of delivery of fodder seed.</td></tr>
<tr><td>i.</td><td colspan="6">Whether state has made the arrangement for distribution and these seeds among the farmers, if yes the details may be provided District wise:</td></tr>
<tr><td>j.</td><td colspan="6">Whether state Govt. has made the arrangement for distribution of fodder minikits to the farmers free of cost.</td></tr>
<tr><td>k.</td><td colspan="6">Any other relevant information related to the proposal:</td></tr>
</table>

Sub-mission: Fodder and Feed Development

Component IV(i) : Distribution of hand driven chaff cutters

1.	Name of the Component	Distribution of hand driven chaff cutters
2.	Objectives	Reducing wastage of fodder by chopping and promoting better utilization of fodder.
3.	Salient Features	Members of Milk Federation, KVKs and farmers having upto 5 livestock will be assisted under the scheme for purchases of the hand driven chaff cutters provided they have not availed earlier this type of benefit from Central Govt. or State Govt./any other organization formed by the Govt. Farmer should not have availed the benefit during the last five years from any agency.
4.	Pattern of financial assistance	75% or Rs 3750/- Central assistance, whichever is minimum towards the cost of machinery (Hand Driven Chaff Cutter) for the farmers holding 1-5 livestock. In addition, 75% or Rs 1,500/- whichever is minimum towards the cost of transportation (Hand Driven Chaff Cutter) for the States where production facility of Hand Driven Chaff Cutter is not available and have to import the hand driven chaff cutter from other States. Hand Driven Chaff Cutter may be provided to the farmer having upto 5 Nos. of livestock. Central assistance is provided, subject to approval of the rates of the chaff cutters by the administrative head of the State Department responsible for Animal Husbandry / Dairying; on the recommendation of a duly constituted purchase committee. The machinery must be approved by a Central Government institution for its technical specifications and safety.
5.	Beneficiaries	Farmers and Members of Milk Cooperatives.
6.	Implementing agency	Milk Cooperatives/ Federations, Department of Animal Husbandry, KVKs, etc.

Annexure-C-IV(i)(A)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposals for distribution of Hand Driven Chaff cutters

a.	Name of the Organization / Department / implementing agency
b.	Location
	a) Address
	b) Telephone No and Fax No.
	c) E-mail address of the HOD
c.	Name and address of the supplier of chaff cutters
d.	Whether clarification about arrangement of State share has been done? If yes, details may be provided.
e.	Whether quotation collected for supply of chaff cutters at farmers door step. Give details
f.	Type of chaff cutter to be purchased.
g.	No. of chaff cutters to be purchased.
h.	Cost of each chaff cutter.
i.	Total cost of the chaff cutter to be purchased.
j.	Central share (Rs. in lakh)
k.	Beneficiaries share (Rs in lakh).
l.	Whether 25% beneficiaries shares have been taken as an advance or state Govt. will arrange.
m.	Name and signature of Organization / Director, Animal Husbandry of the State with complete address

Annexure-C-IV(ii)

Sub-mission: Fodder and Feed Development

Component IV(ii) : Distribution of power driven chaff cutters

1.	Name of the Component	Assistance for Introduction of Power Driven Chaff Cutter
2.	Objectives	(i) Reducing wastage of fodder by chopping, and promoting better utilization of fodder.
3.	Salient Features	Members of Milk Federation, ATMA/ KVKs and farmers will be assisted under the scheme for purchases of the power driven chaff cutters provided they have not availed earlier this type of benefit from Central Got. Or State Govt./any other organization formed by the Govt. Farmer should not have availed the benefit during the last five years from any agency.
4.	Pattern of financial assistance	50% of the cost or Rs 6000/- (for power driven chaff cutter with one Horse Power motor for the farmers holding 5-15 livestock), Rs 8000/- (for power driven chaff cutter with two Horse Power motor for the farmers holding 16-25 livestock) and Rs 10000/- (for power driven chaff cutter with three Horse Power motor for the farmers holding 26 or more livestock) Central assistance, whichever is minimum towards the cost of machinery (Power Driven Chaff Cutter). Central assistance is provided subject to approval of the rates of the chaff cutters by the administrative head of the State Department responsible for Animal Husbandry / Dairying; on the recommendation of a duly constituted purchase committee. The machinery must be approved by a Central Government institution for its technical specifications and safety.
5.	Beneficiaries	Farmers and Members of Milk Cooperatives
6.	Implementing agency	Milk Federation, Department of Animal Husbandry, KVKs/ATMA. However, funds will be released through State Govts concerned.

Annexure-C-IV(ii)(A)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposals for distribution of Power Driven Chaff cutters

a.	Name of the Organization/Department/ implementing agency
b.	Location
	a) Address
	b) Telephone No and fax No.
	c) E-mail address of the HOD
c.	Number of livestock held by the farmer.
d.	Name of the supplier of chaff cutters
e.	Whether clarification about arrangement of State share has been done? If yes, details may be provided.
f.	Whether quotation collected for supply of chaff cutters at farmers door step. Give details
g.	Type of chaff cutter to be purchased.
h.	No. of chaff cutters to be purchased.
i.	Cost of each chaff cutter.
j.	Total cost of the chaff cutter to be purchased.
k.	Central share (Rs. in lakh)
l.	Beneficiaries share (Rs in lakh).
m.	Whether 25% beneficiaries shares has been taken as an advance or state Govt. will arrange.
n.	Name and signature of Organization / Director, Animal Husbandry of the State with complete address

Sub-mission: Fodder and Feed Development

Component IV (iii) : Establishment of high capacity Fodder Block Making units

1.	Name of the Component	Establishment of high capacity Fodder Block Making units
2.	Objectives	(i) Promoting conservation of fodder, and converting crop residues into fodder blocks through the use of modern technologies. (ii) Ensuring availability of fodder during crisis situations for survival of livestock during drought / floods (iii) Maintaining a buffer stock of dignified fodder blocks for long-distance transportation during crisis situations
3.	Salient Features	The densified fodder blocks will be useful during drought/floods, etc., when the main objective is survival/maintenance of livestock population. The fodder blocks can be enriched with different nutrients either at the time of densification; or, preferably, at the time of feeding
4.	Pattern of financial assistance	Central assistance as one time subsidy, as provided under Annexure-E, subject to maximum ceiling of Rs. 75.00 lakhs per unit towards the cost of a fodder block making unit (using dry straw/ Bagasse). The assistance includes machinery and related cost for installation of machinery and power connectivity. The detailed cost break-up, duly verified by the Head of the implementing agency and the administrative head of the State Department responsible for Animal Husbandry / Dairying, must be included in the project proposal. Assistance will be provided to only those units having bankable projects appraised for their viability by District Industries Centre / agency, any Nationalized Bank, or NABARD. The machinery must be approved by a Central Government institution for its technical specifications and safety. The whole part of state share can either be met by the State Govt. or State can seek the whole part from the beneficiary or State can share the same with beneficiaries
5.	Implementing agency	Animal Husbandry Department, Milk Federations, University, Research Institutes, Private Entrepreneurs and NGOs

Annexure-C-IV(iii)(A)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposal for establishment of high capacity Fodder Block Making units

a.	Name of the Organization/Department
b.	Location of the project:
	a) Address
	b) Telephone No and Fax No.
	c) E-mail ID of the HOD.
c.	Green and Dry Fodder availability in the area where establishment of Fodder Block Making Unit is to be established.
d.	Whether clarification about arrangement of State share has been done? If yes, details may be provided.
e.	Source of dry fodder for purchase
f.	Total requirement of fodder throughout the year for running the Fodder Block Making Unit viably.
g.	Storage facilities available with the Agency, establishing the Fodder Block Making Unit.
h.	Method of making Fodder Blocks.
i.	Provide detailed Project Report of the machinery and equipment along with cost of each component.
j.	Constituent/ingredients of Fodder Blocks.
k.	Total digestible nutrients (TDN) value of each fodder block.
l.	Scope for disposal of fodder blocks.
m.	Any other information pertaining to the project.
n.	Whether State Govt has recommended the proposal
o.	Whether the project has been appraised by any commercial bank / agency for economical viability of the project? Give details.
p.	Bank /Organization/ individual contributing towards the remaining cost of the project.
q.	Whether land of the project is owned by the implementing agency ? If yes, details thereof. If no, details of the arrangements for use of land.
r.	Name and signature of the Head of the implementing agency with complete address and phone numbers
s.	Name and signature of the head of the State Department responsible for Animal Husbandry / Dairying, with complete address and phone numbers

Sub-mission: Fodder and Feed Development

Component IV(iv) : Distribution of low capacity, tractor mountable Fodder Block Making units, hay baling machines/reapers / forage harvesters

1.	Name of the Component	Distribution of low capacity, tractor mountable Fodder Block Making units, hay baling machines/reapers / forage harvesters
2.	Objectives	i. Promoting conservation of fodder, and converting crop residues into fodder blocks through the use of modern technologies. ii. Ensuring availability of fodder during crisis situations for survival of livestock during drought / floods iii. Providing doorstep facilities to farmers for conversion of their crop residues into densified fodder blocks, thereby increasing shelf life of dry fodder
3.	Salient Features	Efforts will be made to provide the low capacity, tractor mountable Fodder Block Making units, hay bailing machines/reapers / forage harvesters, etc., for community use at the level of Village Panchayats / Primary Milk Cooperatives / Joint Forest Management Committees The densified fodder blocks will be useful during the lean periods, when the main objective is survival/maintenance of livestock population. The fodder blocks can be enriched with different nutrients either at the time of densification; or, preferably, at the time of feeding
4.	Pattern of financial assistance	Central assistance as one time subsidy, as provided under **Annexure-E**, to the extent of Rs. 10.00 lakh per unit or 75% of the cost , whichever is lower will be provided. The machinery must be approved by a Central Government institution for its technical specifications and safety. The whole part of state share can either be met by the State Govt. or State can seek the whole part from the beneficiary or State can share the same with beneficiaries
5.	Implementing agency	Village Panchayats / Primary Milk Cooperatives / Joint Forest Management Committees through the concerned State Department. Funds will be released through State Governments concerned.

Annexure-C-IV(iv)(A)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposal for Distribution of low capacity, tractor mountable Fodder Block Making units, haybailing machines/reapers / forage harvester

a.	Name of the Organization/Department
b.	Location of the project:
	a) Address
	b) Telephone No and Fax No.
	c) E-mail ID of the HOD.
c.	Whether State Govt has recommended the proposal
d.	Name of the Village Panchatyats / Primary Milk Cooperatives / Joint Forest Management Committees included in the proposal
e.	Whether clarification about arrangement of State share has been done? If yes, details may be provided.
f.	Type of fodder available in the area for relevant machine
g.	Source of availability of fodder (cultivated area or other source like gochar land, etc.)
h.	No. of beneficiaries under each Village Panchatyat / Primary Milk Cooperative / Joint Forest Management Committee
i.	Whether institutional arrangements are in place to ensure conflict free use of the resource by all the beneficiaries (Details to be included in the proposal)
j.	Whether an MOU has been signed by the implementing Department with the concerned Village Panchatyat / Primary Milk Cooperative / Joint Forest Management Committee
k.	Whether arrangements have been made to meet the operating costs, and sustainability (details to be given in the proposal)

Sub-mission: Fodder and Feed Development

Component IV(v) : Establishment of Silage making units

1.	Name of the Component	Establishment of silage making Units
2.	Objectives	Establishing silage-making units to preserve surplus fodder for feeding during lean periods.
3.	Salient Features	During the period of surplus supply of green fodder, farmers are to be encouraged to take up silage making to make the quality fodder available during lean (shortage) period of fodder.
4.	Pattern of financial assistance	Grant-in aid by the Central Government will be provided as per **Annexure-E** for Establishment of new silage making Unit, including the cost of chaff cutter and the silage pit/tower, subject to the following ceiling: • For a unit of 50 MT capacity 75% of the cost, or Rs 75,000/- whichever is minimum towards civil work & in additional grant will be provided towards cost of the three HP motor chaff cutter as per the norms given under the component of Distribution of Power Driven Chaff Cutter. • For a unit of 25 MT capacity 75% of the cost, or Rs 55,000/- whichever is minimum towards civil work & in additional grant will be provided towards cost of the two HP motor chaff cutter as per the norms given under the component of Distribution of Power Driven Chaff Cutter. • For a unit of 10 MT capacity 75% of the cost, or Rs 40,000/- whichever is minimum towards civil work & in additional grant will be provided towards cost of the one HP motor chaff cutter as per the norms given under the component of Distribution of Power Driven Chaff Cutter The civil work should be approved by a Central/ State Government institution for its cost, technical specifications, etc.
5.	Beneficiaries	Farmers (including Members of Milk Federation)
6.	Implementing agency	Milk Cooperatives, state Department of Animal Husbandry, ATMA/ KVKs. However, funds will be released through State Govts concerned.

Annexure-C-IV(v)(A)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposal for establishment of Silage Making unit

a.	Name of the Organization/Department/ implementing agency:
b.	Location
	a) Address
	b) Telephone No and Fax No..
	c) E-mail address of the HOD.
c.	Present availability of surplus green fodder in the State during lush periods
d.	Present availability of surplus green fodder with the implementing agency/ in the district during lush periods
e.	Whether clarification about arrangement of State share has been done? If yes, details may be provided.
f.	Type of silo to be used:
g.	capacity of each silo
h.	No of units proposed.
i.	Total cost of units.
j.	List of the farmers selected with complete details
k.	Whether estimates for each silo pit & chaff cutters cost has been given.
l.	Any other information pertaining to the project.
m.	Whether the purchase of power driven chaff cutters has been done as per ISI mark.
n.	Name and signature of Organization / Director, Animal Husbandry of the State with complete address

Sub-mission: Fodder and Feed Development

Component IV(vi) : Establishment of Bypass protein making units

1.	Name of the Component	Establishment of Bypass protein making units
2.	Objectives	Production of by-pass protein for feeding high yielding dairy animals to make better use of available high quality meals and improve feed efficiency.
3.	Salient Features	Commercial units shall be supported for production of bypass protein for supply to high yielding dairy animals.
4.	Pattern of financial assistance	Central assistance as one time subsidy, as provided under **Annexure-E**, The detailed cost break-up, duly verified by the Head of the implementing agency and the administrative head of the State Department responsible for Animal Husbandry / Dairying, must be included in the project proposal. Assistance will be provided to only those units having bankable projects appraised for their viability by District Industries Centre / agency, any Nationalized Bank, or NABARD. The machinery must be approved by a Central Government institution for its technical specifications and safety. The whole part of state share can either be met by the State Govt. or State can seek the whole part from the beneficiary or State can share the same with beneficiaries
5.	Implementing agency	Animal Husbandry Department, Milk Federations, University, Research Institutes, Private Entrepreneurs and NGOs

Annexure-C-IV(vi)(A)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposals for establishment of By-Pass Protein Production unit

a.	Name of the Organization/Department want to establish the project:
b.	Location of the Project:
	a) Address
	b) Telephone No and Fax No..
	c) E-mail address of the HOD
c.	Requirement and Availability of concentrate in the state:
d.	Type of concentrate available round the year in the area:
e.	Whether clarification about arrangement of State share has been done? If yes, details may be provided.
f.	Total requirement of concentrate the year for running the viably.
g.	Storage facilities available with the Agency, establishing the By-Pass Protein Production unit.
h.	Method of making By-Pass Protein:
i.	Whether International/ National standards has been taken care while, making project proposal.
j.	Type of concentrate to be used for production of by- pass protein:
k.	Scope for disposal of.
l.	Any other information pertaining to the project.
m.	Whether the project has been appraised by any commercial bank for economical viability of the project? Give details:
n.	Whether State/Organization/ individual contributing towards the state / individual's share.
o.	Whether land of the project is owned by Entrepreneurs or state Govt.
p.	Name and signature of Organization / Director, Animal Husbandry of the State with complete address

Sub-mission: Fodder and Feed Development

Component IV(vii) : Establishment of Area Specific Mineral Mixture / Feed Pelleting/ Feed Manufacturing Unit

1.	Name of the Component	Establishment of Area Specific Mineral Mixture / Feed Pelleting/ Feed Manufacturing Unit
2.	Objectives	To enhance availability of feed and area specific mineral mixture for feeding livestock for improving their productivity and health.
3.	Salient Features	By encouraging production of feed and area specific mineral mixture, the existing gap between availability of feed and mineral mixture could be narrowed down. However, this assistance will be provided to only those units having bankable projects appraised for their viability by NABARD or any other Nationalized Bank.
4.	Pattern of financial assistance	Central assistance as one time subsidy, as provided under **Annexure-E**. The detailed cost break-up, duly verified by the Head of the implementing agency and the administrative head of the State Department responsible for Animal Husbandry / Dairying, must be included in the project proposal. Assistance will be provided to only those units having bankable projects appraised for their viability by District Industrial Centre, any Nationalized Bank, or NABARD. The machinery must be approved by a Central Government institution for its technical specifications and safety. The whole part of state share can either be met by the State Govt. or State can seek the whole part from the beneficiary or State can share the same with beneficiaries
5.	Implementing agency	Govt. bodies / Universities / Corporations / Boards, including Milk Federations

Annexure-C-IV(vii)(A)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposal for establishment of Area Specific Mineral Mixture/ Feed Pelleting / Feed manufacturing Unit

a.	Name of the Organization/Department
b.	Location
	a) Address
	b) Telephone No and Fax No.
	c) E-mail address of HOD
c.	Present requirement and availability of feed/ mineral mixture in the state.
d.	Availability of raw material in the area where establishment of plant is to be done.
e.	Whether clarification about arrangement of State share has been done? If yes, details may be provided.
f.	Total area available for establishment of plant.
g.	Owner of the land where plant is to be established.
h.	Whether permission from local body is required for such plants.
i.	Whether storage facilities available with the Agency.
j.	Method of making area specific Mineral Mixture/ Feed Pelleting/Feed manufacturing Unit.
k.	Constituent/ingredients of Feed, Feed Pelleting unit or Mineral Mixture to be produced.
l.	Scope for disposal of feed, feed pellets, mineral mixture.
m.	Any other information pertaining to the project.
n.	Whether the project has been appraised by any commercial bank for economical viability of the project? Give details.
o.	Whether Organization/ individual is contributing towards the state share (details to be provided)
p.	Name and signature of Organization / Director, Animal Husbandry of the State with complete address

Annexure-C-IV(viii)

Sub-mission: Fodder and Feed Development

Component IV(viii) : Establishment / modernisation of Feed testing laboratories

1.	Name of the Component	Establishment / modernisation of Feed testing laboratories
2.	Objectives	Quality testing of manufactured feed and feed ingredients to promote production and supply of quality feed.
3.	Salient Features	To ensure the supply of quality feed to the farmers, Department wants to strengthen the laboratories for testing the case Feed. Assisted laboratories will take up testing of Feed samples received from various Govt. and private agencies as per prescribed rates. Funds will be provided for purchase of machinery and equipment related to Feed testing.
4.	Pattern of financial assistance	Central assistance as one time subsidy, as provided under **Annexure-E**. The detailed cost break-up, duly verified by the Administrative head of the concerned institution, and the administrative head of the State Department responsible for Animal Husbandry / Dairying, must be included in the project proposal. The whole part of state share can either be met by the State Govt. or State can seek the whole part from the beneficiary or State can share the same with beneficiaries
5.	Beneficiaries	Veterinary colleges, Agriculture Universities, Milk Federations, Animal Husbandry Department
6.	Implementing agency	Veterinary colleges, Agriculture Universities, Milk Federations, Animal Husbandry Department. However, funds will be released through State Govts concerned.

Annexure-C-IV(viii)(A)

Sub-mission: Fodder and Feed Development

Proforma for submitting proposals for Establishment / modernisation of Feed testing laboratories

a.	Name of the Organization/Department/ Implementing agency
b.	Location
	a) Address
	b) Telephone No and Fax No.
	c) E-mail address of the HOD
c.	Present Status of the laboratory
d.	No of Feed samples tested earlier.
e.	Whether clarification about arrangement of State share has been done? If yes, details may be provided.
f.	No of Feed samples testing that can be increased with the Central aid
g.	Whether such facility is available in the state, if yes, please give details.
h.	Constituent/ingredients of feeds to be tested.
i.	Whether laboratory will undertake the testing of feed samples received from private parties/ Govt. agency.
j.	What will be the rate for testing each constituent (Protein, fat etc.) of feed?
k.	Any other information pertaining to the project.
l.	Whether the project has been appraised by any Committee constituted by the ICAR, SAU, VCI etc. Give details.
m.	Whether matching state share will be provided by VCI/ SAU from their resources or by the state Govts.
n.	Name and signature of Organization / Director, Animal Husbandry of the State with complete address

Sub-mission: Fodder and Feed Development

Component VIII: Training & Human Resource Development

Sl.No.	Name of the Component	Training & Human Resource Development
1.	Objectives	Operating specific Training and Capacity Building Interventions related to Feed and Fodder Development.
2.	Salient Features	To provide Refreshers training programme to trainers (of Animal Husbandry, Sheep Husbandry, Forest Deptt., Agriculture and Veterinary University, Agriculture Department of State, officers from NGOs, Milk Federations, Milk Cooperatives, Dairy Development Department, Extension Deptt., Panchayati Raj, Rural Deptt.etc), farmers, researchers, academicians and officials on production, conservation and efficient utilization of Feed and Fodder. A special training course on Azolla Production would also to be supported.
3.	Pattern of financial assistance	Central assistance would be provided from the funds spared for training in the NLM, as per the approved guidelines.
4.	Implementing agencies	Department of Animal Husbandry Dairying & Fisheries, Agriculture Department, KVKs, ICAR Institutions and Research & Development Organizations, Agriculture and Veterinary Universities.

Annexure-D-I

Sub-mission: Skill Development, Technology Transfer and Extension

Component I: IEC support for livestock extension

Sl.No.	Name of the Component	IEC support for livestock extension,
1.	Objective	To increase awareness among all stakeholders involved in animal husbandry sector regarding scientific methods of rearing, susceptibility to disease, vaccination, breed improvement, aspects related to animal nutrition, schemes implemented by various agencies etc .and IEC support for Livestock Extension at various levels.
2.	Salient Features	The component will provide extension education. Production of livestock extension literature. The IEC program for the state would be finalized by factoring in the specific characteristics of each district and block. In knowledge-driven development, there is need for providing extension education keeping in view the diverse needs of the livestock owners not only on production procedures, but also the knowledge about the whole range of livestock-business, production systems, research institutions, programmes and schemes of the development departments, quality certification and reporting procedures, grading, packaging, storage, transportation and other requirements of both domestic and export markets, including interfaces at different levels with unlimited partners. The development of Information Communication Technology (ICT) and Telecommunication Network have paved the way for creation of information network, knowledge pool and services which can be intensively used for the purpose. The agencies involved in Livestock Extension at field level have got sufficient material to prepare literature on livestock extension. They are however constrained to lack of resources for content development which needs to be provided for. Similarly, these institutions would be assisted in preparation and development of video and multi-media packages on livestock extension. In addition, support should be provided to development and documentation of success stories in livestock sector. Material so produced would be widely distributed through all the agencies involved in animal husbandry sector. While the above information is at national level, similar information is available at state, district and block levels. Through the introduction of the new scheme, "National Animal Disease Reporting System" (NADRS), DADF is trying to establish a computerized system of animal disease reporting linking each block, district and state headquarters to the central disease reporting and monitoring unit in New Delhi. This information is vital to the farmers who are in many cases not aware of the outbreak of

		various diseases in their vicinity, its symptoms, preventive measures to be taken, treatment, vaccination etc. The dissemination of this information also would be one of the major objectives of Livestock mela, Regional livestock fair, etc., which are discussed in the succeeding paragraphs. The IEC program for the state would be prepared by the state Livestock Extension Facilitator (LEF) Similarly, the district IEC plan would be finalized by the district LEF. Adopting a similar procedure, block IEC plan would be finalized by the block LEF.
3.	Pattern of financial assistance	Central assistance as provided under Annexure-E
4.	Implementing agencies	Department of Animal Husbandry Dairying & Fisheries, Agriculture Department, KVKs, ICAR Institutions and Research & Development. However, funds will be released through State Govts concerned

Annexure-D-I(A)

Sub-mission: Skill Development, Technology Transfer and Extension

Proforma for submitting proposal under the component of IEC support for livestock extension

a.	Name of the Implementing agency / Organization / Department:
	a) Address:
	b) Telephone No. and Fax No.:
	c) Email ID of the HOD:
b.	Present status of requirement and availability of Information support,
c.	Present statistics of Information support:
	i) State :
	ii) With the implementing agency:
d.	Location and addresses of Extension Centres already developed, if any under the scheme and, proposed to be developed (Full details must be provided).
e.	Any other relevant information related to the proposal:
f.	Name and signature of the Head of the Animal Husbandry Department:

Sub-mission: Skill Development, Technology Transfer and Extension

Component II: Training & capacity building

Sl.No.	Name of the Component	Training & capacity building,
1.	Objectives	Operating specific Training and Capacity Building Interventions related to Livestock Sector.
2.	Salient Features	Extension personnel/ Livestock Extension Facilitators (LEF) will be trained in all aspect related to animal rearing through induction and Refresher trainings programmes and capacity building of Field Level Extension Mechanism. Extension personnel already working in various agencies related to animal husbandry extension would also require training in all aspects related to animal rearing like animal health, diseases, vaccination, marketability, nutrition, fodder development, programmes implemented by central / state/ local bodies, convergence between animal husbandry department, ICAR, Department of Agriculture, etc Ordinary farmers also would be trained on scientific rearing practices, marketability of their products, post-harvest practices etc. The existing manpower employed at the field level in agriculture and allied departments including Gopal Mitras, Prani Bandhus, Village extension workers, NGOs, progressive farmers, etc., would require enhanced training and capacity building support. The field level extension mechanism would be further augmented through (i) greater hand holding support to Livestock Farmers Groups (LFGs) in the initial stages, (ii) improving their access to micro-financing, (iii) supporting goshala activities, (iv) organizing exposure visits of dairy farmers to the dairy developed areas, (v) promoting farmer to farmer extension, (vi) organizing livestock farm schools and (vii) providing AHD extension material/literature.
3.	Pattern of financial assistance	Central assistance as provided under Annexure-E
4.	Implementing agencies	Department of Animal Husbandry Dairying & Fisheries, Agriculture Department, KVKs, ICAR Institutions and Research & Development. However, funds will be released through State Govts concerned

Annexure-D-III

Sub-mission: Skill Development, Technology Transfer and Extension

Component III: Livestock Farmers Groups

Sl.No.	Name of the Component	Livestock Farmers Groups
1.	Objectives	Empowering Livestock Farmers Groups (LFGs) with technology required for improving their income from the livestock farming activities.
2.	Salient Features	To organize large number of Livestock Farmers Groups (LFGs) for empowering them with technology required for improving their income from the livestock farming activities. This requires enhanced interface with ongoing development programmes and the implementing departments. Promoting LFGs federations at Taluka and District level is also envisaged. It is experienced that the group approach ensures efficiency and equity in delivery of extension services. Hence, farmers' organizations and their federations would be promoted and federated for sustaining the developmental efforts. The whole process will be oriented to develop the capacity of farmers to plan and attract support from all related organizations based on their needs and resources. In order to promote Farmer Led Extension, progressive farmers identified from each commodity group / federation will be trained in major commodity / enterprise. These trained farmers would be used as resource persons in extension activities. Programmes such as promotion of Farmers Organizations (FOs) and their federation and Capacity Building of Farmers in Agriculture for Farmer-Led Extension (CAFÉ) .
3.	Pattern of financial assistance	Central assistance as provided under Annexure-E
4.	Implementing agencies	State Government, Department of Animal Husbandry Dairying & Fisheries. Department will coordinate with the State Government, ICAR Institutions and Research & Development Organizations. However, funds will be released through State Govts concerned

Annexure –D-IV

Sub-mission: Skill Development, Technology Transfer and Extension

Component IV: Livestock Mela

Sl.No.	Name of the Component	**Livestock Mela**
1.	Objectives	Updating technical skills of the farmers
2.	Salient Features	In this programme emphasis will be given for updating technical skills of the farmers by way of Organizing Livestock Mela / Show at block & district levels. There is also a provision in the scheme to organize technical conferences, display of panels and posters on various aspects of AH activity and invite various organizations to display their new achievements giving an opportunity to the farmers and development workers to exchange views on modern technology. At least one Livestock Mela / Show in each Block, District & State will be conducted every year. The duration of the mela is one days in the case of Block, two days in the case of District & three days in the case of State. It will be implemented by the State Government and Organizations of Central Government. The maximum unit cost of each mela at Block . District and State level will be Rs. 1 lakh . 2 lakh and Rs. 3 lakh respectively. The outstanding achievers in the field of milk production, egg production, purity of breed etc. would be awarded in the livestock meals.
3.	Pattern of financial assistance	Central assistance as provided under Annexure-E
4.	Implementing agency	Department of Animal Husbandry Dairying & Fisheries, Agriculture Department, KVKs, ICAR Institutions and Research & Development. However, funds will be released through State Government concerned

Sub-mission: Skill Development, Technology Transfer and Extension

Component V: Regional livestock fair

l.No.	Name of the Component	Regional livestock fair
1.	Objectives	Conservation of indigenous breed and other livestock and provide suitable incentive to farmers / breeders. Recognition of outstanding achievers.
2.	Salient Features	The Regional Livestock Fair will help in conservation of indigenous breed and other livestock and provide suitable incentive to farmers / breeders. The Regional Livestock Fairs may be organized by the State Governments for a period of five days. However, the judges for the Regional Livestock Fairs may be appointed by Central Government in consultation with the host State Government. A unit cost of Rs. 10 lakhs for the Regional Livestock Fair. The outstanding achievers in the field of milk production, egg production, purity of breed etc. would be awarded in the livestock regional livestock fairs
3.	Pattern of financial assistance	Central assistance as provided under Annexure-E
4.	Implementing agency	Department of Animal Husbandry Dairying & Fisheries, Agriculture Department, KVKs, ICAR Institutions and Research & Development. However, funds will be released through State Govts concerned

Annexure–D-VI

Sub-mission: Skill Development, Technology Transfer and Extension

Component VI: Farmers field schools

Sl.No.	Name of the Component	Farmers field schools
1.	Objectives	To operationalize front line demonstrations in animal husbandry activities, To provide training to target farmers by having interactive sessions To upgrade knowledge of the progressive farmers through regular training programmes envisaged under the component "Technical Training & Capacity Building" Exposure visit of the progressive farmers under the relevant component of this scheme
2.	Salient Features	Farmers field schools would be operationalized in each block. These would be set up in the field of outstanding or achiever farmers. Teachers in the farm schools could be progressive farmers, extension functionaries or experts belonging to Government or Non-Government sector. One of the main activities of farm schools would be to operationalize front line demonstrations in animal husbandry activities like scientific methods of rearing, susceptibility to disease, vaccination, breed improvement, aspects related to animal nutrition, schemes implemented by various agencies etc. Farm school would provide training to target farmers by having interactive sessions regularly. Knowledge of the progressive farmers would be continuously upgraded through regular training programmes envisaged under the component "Technical Training & Capacity Building". Exposure visit of the progressive farmers also would be arranged under the relevant component of this scheme. At an approximate unit cost of Rs. 30,000/- for the establishment of a farm school, about 30,000 schools are expected to be operationalized.
3.	Pattern of financial assistance	Central assistance as provided under Annexure-E
6.	Implementing agency	Department of Animal Husbandry Dairying & Fisheries, Agriculture Department, KVKs, ICAR Institutions and Research & Development. However, funds will be released through State Govts concerned

Annexure–D-VII

Sub-mission: Skill Development, Technology Transfer and Extension

Component VII: Exposure visit of Livestock Extension Facilitator

Sl.No.	Name of the Component	Exposure visit of Livestock Extension Facilitator
1.	Objectives	To modify the contours of extension mechanism.
2.	Salient Features	The scheme envisages setting up a robust feedback mechanism from the farmers, animal health experts, government machinery, dairy cooperatives, NGOs etc. regarding the expectation and requirements from the extension machinery. The programmes envisaged under the exposure visits of LEFs to advanced states etc. would have a strong feedback mechanism which would be analyzed and efforts would be made to crystallize the important suggestions and modify the contours of the scheme in succeeding years after obtaining approval from the state level / national level monitoring committee.
3.	Pattern of financial assistance	Central assistance as provided under Annexure-E
4	Implementing agency	Department of Animal Husbandry Dairying & Fisheries, Agriculture Department, KVKs, ICAR Institutions and Research & Development. However, funds will be released through State Government concerned.

Annexure-D-VIII

Sub-mission: Skill Development, Technology Transfer and Extension

Component VIII: Exposure visit of farmers

Sl.No.	Name of the Component	Exposure visit of farmers
1.	Objectives	To modify the contours of extension mechanism.
2.	Salient Features	Exposure visit of farmers to progressive states where there is already established extension mechanism.
3.	Pattern of financial assistance	Central assistance as provided under Annexure-XII
4.	Implementing agency	Department of Animal Husbandry Dairying & Fisheries, Agriculture Department, KVKs, ICAR Institutions and Research & Development. However, funds will be released through State Govts concerned.

Annexure–D-IX

Sub-mission: Skill Development, Technology Transfer and Extension
Component IX: Staff component for livestock extension

Sl.No.	Name of the Component	Staff component for livestock extension
1.	Objectives	To facilitate augmentation of HRD to implement skill development, technology transfer and extension.
2.	Salient Features	The objectives of the scheme are to achieved by providing livestock extension facilitators purely on contract basis for effective implementation both at central and state levels, for augmenting HRD back up. A senior officer namely Joint Director / Additional Director of the State Animal Husbandry Department would be entrusted with the responsibilities of coordinating the livestock extension activities of various agencies in the states like animal husbandry department, veterinary universities, ATMAs, KVKs, etc. The Livestock extension Facilitator posted with him will assist in his duties. The Facilitator will prepare the IEC plan for the State and also coordinate all the activities related to Livestock Extension like (i) project formulation which should be bankable and implementable, (ii) training to animal rearers, (iii) organizing livestock camps, (iv) vaccinations, (v) preparation of IEC material and (vi) programmes related to animal nutrition etc. He would be the pivotal person coordinating veterinary services, nutrition related requirements, training programmes, data dissemination etc. He would continuously interact with all the agencies involved in livestock extension for successful implementation of the extension initiatives. All the above posts will be filled up purely on contract / consultancy basis with people possessing required qualification and experience The states would be divided into two categories with regard to appointment of livestock extension Facilitators at the district level. The bigger states having 500 blocks or more and those states having less than 500 blocks. The bigger states would be provided two LEFs per state whereas the smaller one would be provided 1 Facilitator for each state. All the Districts would be provided 1 Facilitator each (except in North Eastern States where the LEF would be posted in the block and state level only), whereas eight LEFs would be posted in DADF.
3.	Pattern of financial assistance	Central assistance as provided under Annexure-XII
4.	Implementing agency	DADF, State Government, Department of Animal Husbandry Draying & Fisheries, PRI and other reputed organisations and Institutes However, funds will be released through State Governments concerned..

Annexure-E

Components that can be financed under the National Livestock Mission, brief guidelines, and pattern of assistance are given below:

Sub-Mission on Livestock Development		
S.N.	**Components**	**Pattern of Assistance**
1	Entrepreneurship Development & Employment Generation [Central Sector (**CS**)] (Unit costs under different components given below)	100% (Back-ended subsidy part only) Subsidy 25%, credit 65% for APL; and subsidy 33.33%, credit 56.67 for BPL / SC / ST in normal areas Subsidy 35%, credit 55% for APL; and subsidy 50%, credit 40 for BPL / SC / ST in NER / Hill areas / LWE affected areas Subsidy 45%, credit 45% for APL; and subsidy 60%, credit 30 for BPL / SC / ST in difficult areas Beneficiary Share 10% across all categories
2	Infrastructure Development [Government of India (GOI) farms under **CS, other farms under Centrally Sponsored Scheme (CSS)]**	GOI farms - 100% State farms - 75%
3	Productivity Enhancement **[CSS]**	
a	Rural Backyard Poultry Development	75%
b	Interventions in the breeding tract of high fecundity breeds	100%
c	Research studies and linkages with professional bodies	100%
d	Propagation of Artificial Insemination	100%
e	Biotechnology centres for fecundity breeds	100%
f	Training and orientation of functionaries	100%

g	Ram / Buck / Boar shows	100%
h	Community led breed improvement programmes	100%
i	Cluster based mass de-worming / health cover programmes	100%
j	Innovative projects	100%
4	Risk Management [CSS] [Premium rates for one year policy in Normal Areas - 3.0% , in NER / Hill areas / LWE affected areas - 3.5%, and in difficult areas - 4.0 % Premium rates for three year policy in Normal Areas - 7.5% , in NER / Hill areas / LWE affected areas - 9.0%, and in difficult areas - 10.5 %]	Central share 25%, State share 25% and Beneficiary share 50% for APL, and Central share 40%, State share 30%, and Beneficiary share 30% for BPL / SC / ST in Normal Areas Central share 35%, State share 25% and Beneficiary share 40% for APL, and Central share 50%, State share 30%, and Beneficiary share 20% for BPL / SC / ST in NER / Hill areas / LWE affected areas Central share 45%, State share 25% and Beneficiary share 30% for APL, and Central share 60%, State share 30%, and Beneficiary share 10% for BPL / SC / ST in Difficult Areas
5	Conservation of Breeds [CSS]	100%
6	Development of Minor Livestock Species [CSS]	100%
7	Utilisation of Fallen Animals [CSS]	75%
8	Rural Slaughterhouses [CSS]	75%

Indicative subsidy ceilings under the component of 'Entrepreneurship Development and Employment Generation'

Sub-component - Poultry Venture Capital Fund (PVCF)		
S.N.	**Component**	**Ceiling of Subsidy**
i	Breeding Farms for Birds of alternate species like turkey, ducks, Japanese quails, guinea fowl and geese	At 25% level subsidy- subsidy ceiling Rs. 7.50 lakh Varies depending on the species and unit size.
ii	Central Grower Units (CGU) – upto 16000 layer chicks per batch.	At 25% level subsidy- subsidy ceiling Rs. 10 lakh for a unit of 16000 layer chicks per batch (three batches a year) - Varies with size.
iii	Hybrid Layer (chicken) Units – upto 20000 layers	At 25% level subsidy- subsidy ceiling Rs. 2 lakh for 2000 layer unit - Varies with the size.
iv	Hybrid Broiler (chicken) Units – upto 20000 birds. Can be weekly, fortnightly, monthly, all-in all-out batches. Bird strength at any point of time should not exceed 20000 birds	At 25% level subsidy- subsidy ceiling Rs. 0.56 lakh for a batch of 1000 broilers - Varies with unit size
v	Rearing of Poultry like low-input technology variety of chicken and other alternative species like turkey, ducks, Japanese quails, guinea fowl and geese..	At 25% level subsidy- subsidy ceiling Rs. 5 lakh Varies with the species and unit size
vi	Feed Mixing units (FMU) - 1.0 ton per hour Disease Investigation Lab (DIL)	At 25% level subsidy- subsidy ceiling Rs. 4 lakh
vii	Transport Vehicles – open cage	At 25% level subsidy- subsidy ceiling Rs. 2 lakh
viii	Transport Vehicles – Refrigerated	At 25% level subsidy- subsidy ceiling Rs. 3.75 lakh
ix	Retail outlets – Dressing units	At 25% level subsidy- subsidy ceiling Rs. 2.50 lakh
x	Retail outlets – marketing units	At 25% level subsidy- subsidy ceiling Rs. 3.75 lakh
xi	Mobile marketing units	At 25% level subsidy- subsidy ceiling Rs. 2.5 lakh
xii	Cold storage for poultry products	At 25% level subsidy- subsidy ceiling Rs. 5 lakh
xiii	Egg / Broiler Carts	At 25% level subsidy- subsidy ceiling Rs. 3750/-
xiv	Large Processing Units 2000-4000 birds per hour	At 25% level subsidy- subsidy ceiling Rs. 125 lakh
xv	Emu Processing units	At 25% level subsidy- subsidy ceiling Rs. 250 lakh
xvi	Feather Processing Units/ litter management	Varies with unit size
xvii	Technology upgradation/ innovations including waste disposal/ incinerators, mini-hatchers, egg vending machines etc.	Varies with the component. The subsidy ceiling is Rs. 125 lakh. For new/ innovative projects EC may decide the subsidy/ value cap depending upon the scope and importance of the project.

Sub-component - Integrated Development of Small Ruminants and Rabbits (IDSRR)		
i	Commercial Units of 10 ewe / does+ 1 ram / buck	At 25% level subsidy- subsidy ceiling Rs. 12,500/-
ii	Breeding farms with 100 ewe / does + 5 ram / bucks	At 25% level subsidy- subsidy ceiling Rs. 2,50,000/-
Iii	Commercial rabbit - Angora units	At 25% level subsidy- subsidy ceiling Rs. 75,000/-
Iv	Rabbit -Angora breeding Farms	Varies with unit size
Sub-component - Pig Development		
I	Commercial rearing units (3 sows + 1 Boar)	At 25% level subsidy- subsidy ceiling Rs. 25,000/-
Ii	Pig Breeding Farms (20 sows + 4 Boars)	At 25% level subsidy- subsidy ceiling Rs. 2,00,000/-
Iii	Retail Pork Outlets with facility for chilling	At 25% level subsidy- subsidy ceiling Rs. 3,00,000/-
Sub-component - Salvaging of Male Buffalo Calves		
I	**Mini Units:** Rearing of male Buffalo calves upto 25 calves.	At 25% level subsidy - subsidy ceiling Rs. 6,250/- per calf. It would be implemented by the State Governments and subsidy would be channelized through NABARD. The beneficiary will have to avail bank loan to a tune of minimum 50% of project cost minus subsidy and prescribed beneficiary share.
II	**Commercial Units:** Rearing of male Buffalo calves, more than 25 calves upto 200 calves at one location.	At 25% level subsidy - subsidy ceiling Rs. 1,50,000/- per 25 calves (at the rate of Rs.6,000/- per calf). It would be implemented by the State Governments and subsidy would be channelized through NABARD. The beneficiary will have to avail bank loan to a tune of minimum 50% of project cost minus subsidy and prescribed beneficiary share.
III	**Industrial Rearing Units:** more than 200 calves upto 2000 Buffalo calves at one location.	At 25% level subsidy - subsidy ceiling Rs. 6,25,000/- per 200 calves (at the rate of Rs.3,125/- per calf). It would be implemented by the APEDA and subsidy would be channelized through NABARD. The beneficiary will have to avail bank loan to a tune of minimum 50% of project cost minus subsidy and prescribed beneficiary share.

Note:

(a) The ceiling on subsidy in general is at the rate of 25%. Pro-rata variable subsidy depending on category of beneficiary and location of the project will be applicable. The unit cost assumed for calculation of ceiling of subsidy is indicative only and SLSMC can revise or modify as per the prevailing market price in the area.

(b) Rearing of male buffalo calves for a minimum period of 24 months.

(c) All units under 'Entrepreneurship Development and Employment Generation', include provisions for feed and fodder, silage making, biosecurity and healthcare, insurance and other project activities etc.

Sub-Mission on Pig Development in North-Eastern Region		
S.No.	**Components**	**Pattern of Assistance**
1	Strengthening of farms [CSS]	90% Central Assistance; 10% State Share Maximum ceiling per unit – Rs 50.00 lakh
2	Import of germplasm [CSS]	90% Central Assistance; 10% State Share
3	Support to breeding programmes [CSS]	90% Central Assistance; 10% State Share
4	Propagation of reproductive technologies [CSS]	90% Central Assistance; 10% State Share
5	Health cover [CSS]	90% Central Assistance; 10% State Share

Sub-Mission on Fodder and Feed Development		
S.No.	**Components**	**Pattern of Assistance**
1	Forage production from Non-forest wasteland /rangeland/ grassland /non-arable land (ha)	75% Central Assistance; 25% State Share Maximum per hactare ceiling (total cost) – Rs One lakh for common land requiring treatment, Rs 85,000 for common land not requiring treatment, Rs 65,000 for govt farms / Gaushalas, Rs 50,000 for other grasslands in remote areas, and Rs 30,000 for individual farmers,
2	Forage production from Forest Land (ha)	75% Central Assistance, 25% State Share subject to a maximum assistance of Rs 50,000 per hactare
3	Cultivation of coarse grains and dual purpose crops (ha)	To be operated under the National Food Security Mission
4	Fodder seed procurement and distribution (MT)	75% Central Assistance; The remaining would be State's contribution, of which a part may be charged to the beneficiaries, as may be decided by the State

5	**Conservation of fodder through post harvest technologies**	
(i)	Distribution of hand driven chaff cutters (No.)	75% Central Assistance; The remaining would be State's contribution, of which a part may be charged to the beneficiaries, as may be decided by the State
(ii)	Distribution of power driven chaff cutters (No.)	50%, Rest beneficiary share, of which the State may bear a part.
(iii)	Establishment of high capacity Fodder Block Making units (No.)	50% of cost excluding cost of land (Private entrepreneurs), 75% of cost excluding cost of land (Cooperatives, Government institutions), subject to a ceiling of Rs 75.00 lakh as central assistance, whichever is less. Cost of land will not be supported by Government of India. In case of private entrepreneurs, the amount to be given as back-ended subsidy for a project duly appraised by a nationalized bank. In other cases, the remaining part may be contributed by the State Government
(iv)	Distribution of low capacity, tractor mountable Fodder Block Making units/ Hay Bailing Machine/ Reaper/Forage Harvester (No.)	50% of cost excluding cost of land (Private entrepreneurs), 75% of cost excluding cost of land (Cooperatives, Government institutions), subject to a ceiling of Rs 10.00 lakh as central assistance, whichever is less. Cost of land will not be supported by Government of India. In case of private entrepreneurs, the amount to be given as back-ended subsidy for a project duly appraised by a nationalized bank. In other cases, the remaining part may be contributed by the State Government
(v)	Establishment of Silage making units (No.)	75% central assistance, 25% State Share including the cost of chaff cutter and the silage pit/tower, subject to the following ceiling: • For a unit of more than 25 MT capacity - Rs.1,00,000 • For a unit of 10 MT to 25 MT capacity - Rs.70,000 • For a unit of upto 10 MT capacity - Rs.50,000 Farmers can adopt any other types of silos, like drums, etc., for making silage, or smaller units can be taken up. Cost estimates should be given accordingly. The assistance includes machinery and related accessories, civil works, and power connectivity.

S.No.	Components	Pattern of Assistance
(vi)	Establishment of Bypass protein/ fat making units (No.)	25% of cost excluding cost of land (Private entrepreneurs), 75% of cost excluding cost of land (Cooperatives, Government institutions), subject to a ceiling of Rs 200.00 lakh as central assistance, whichever is less. Cost of land will not be supported by Government of India. In case of private entrepreneurs, the amount to be given as back-ended subsidy for a project duly appraised by a nationalized bank. In other cases, the remaining part may be contributed by the State Government
(vii)	Establishment of area specific mineral mixture / feed processing units (No.)	-same as above-
(viii)	Establishment / modernisation of Feed testing laboratories (No.)	75% central assistance, 25% State Share only to Govt agencies, universities, Cooperatives, subject to a ceiling of Rs 200.00 lakh
6	**Regional fodder stations (No.)**	100% central assistance

Sub-Mission on Skill Development, Technology Transfer and Extension		
S.No.	**Components**	**Pattern of Assistance**
1	IEC support for livestock extension	75% central assistance, 25% State Share (As per actuals)
2	Training and capacity building	100% central assistance (As per actuals)
3	Livestock Farmers group	75% central assistance, 25% State Share (As per actuals)
4	Livestock Mela	75% central assistance, 25% State Share Subject to a ceiling Rs 1 lakh, Rs 2 lakh, and Rs 3 lakh for 1 day, 2 days, and 3 days mela at Block, District, and State levels, respectively.

5	Regional livestock fair	100% central assistance Ceiling of Rs 10.00 lakh per fair
6	Farmer's Field School	75% central assistance, 25% State Share Approximate unit cost of Rs 30,000/- per farmer’s school
7	Exposure visit of Livestock Extension Facilitator	100% central assistance As per actuals
8	Exposure visit of farmers	75% central assistance, 25% State Share As per actuals
9	Staff component for livestock extension	100% central assistance (As per actuals)

Annexure-F

List of Low-Input Technology birds eligible under National Livestock Mission implemented by the Department of Animal, Husbandry, Dairying & Fisheries, Government of India

S.#	Name of the organization	Type of stock
	PUBLIC SECTOR ORGANIZATIONS	
1.	Central Poultry Development Organization and Training Institute (SR), Bangalore.	a) Chabro b) Kalinga brown c) Kaveri
2.	Central Poultry Development Organization(ER), Bhubaneswar.	Kalinga brown
3.	Central Poultry Development Organization(NR), Chandigarh	Chabro
4.	Central Poultry Development Organization(WR), Mumbai.	a) Kalinga brown (Kadaknath stocks are also available)
5.	Project Directorate on Poultry, ICAR, Hyderabad	a) Gramapriya b) Vanaraja
6.	Central Avian Research Institute, Izatnagar	a) CARI GOLD b) Nirbheek c) Hitcari d) Cari-Debendra e) Upcari
7.	Karnataka Veterinary, Animal and Fisheries Sciences University, Bidar, Karnataka	a) Giriraja b) Girirani c) Swarnadhara
8.	Poultry Research Station, Nandnam, Chennai Tamil Nadu	Nandanam 99
9.	Kerala Veterinary University, Mannuthy	a) Gramalakshmi b) Gramashree c) Krishipriya
10.	Sri Venkateshwara Veterinary University, Rajendernagar, Hyderabad	Rajasri
	PRIVATE SECTOR ORGANIZATIONS	
1.	Dr.YashvantAgritechPvt. Ltd, Jalgaon, Maharashtra	Satpuda-desi
2.	Indbro Research and Breeding Farm Pvt. Ltd., Hyderabad	Rainbow rooster
3.	Kegg Farms, New Delhi	Kuroiler
4	Shipra Hatcheries, Patna, Bihar	Shipra

*This list may be updated by this Department as and when required and updated list will also be put up on the website of the Department http://dahd.nic.in

No. 53-51/2009-LDT (LH) Vol.III
Government of India
Ministry of Agriculture and Farmers Welfare
Department of Animal Husbandry, Dairying & Fisheries

Krishi Bhawan, New Delhi
Dated, the 13th May, 2016

To

Principal Secretaries/ Secretaries
Department of Animal Husbandry/ Veterinary Services
All States / UTs

Subject: Administrative approval for implementation of Centrally Sponsored Scheme 'Livestock Health and Disease Control (LH&DC)' under Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture & Farmers Welfare, Government of India, for the year 2016-17.

Sir,

I am directed to convey Administrative Approval of Competent Authority for implementation of Livestock Health and Disease Control (LH&DC) scheme , categorized as State Plan scheme with following nine components with **BE of Rs 250.00 Crore (Rs Two hundred and fifty crore only)** for the year 2016-17.

Sl. No.	Name of Scheme	BE (Rs in crores)	Funding pattern
1	Livestock Health and Disease Control (categorized under umbrella scheme "Rashtriya Pashudhan Vikas Yojana"".	250.00	
i.	Assistance to States for Control of Animal Diseases (ASCAD)		60% for States
			90 % for 3 Himalayan and North East States
			100% for UTs.
			For training & control of emergent & exotic diseases, 100% central grants will be provided. However, Payment of compensation to farmers for culling of birds, elimination of infected animals, destruction of feed/eggs including operational cost will be (50:50 basis)
ii.	National Project on Rinderpest Surveillance and Monitoring (NPRSM)		GOI -100%
iii.	National Animal Disease Reporting System (NADRS)		GOI -100%
iv.	Foot and Mouth Disease Control Programme (FMD-CP)		60% for States
			100% for UTs

v.	Peste des Petits Ruminants Control Programme (PPR-CP)	60% for States 90 % for 3 Himalayan and North East States 100% for UTs
vi.	Brucellosis Control Programme (Brucellosis- CP)	60% for States 90 % for 3 Himalayan and North East States 100% for UTs
vii.	Establishment and Strengthening of existing Veterinary Hospitals and Dispensaries (ESVHD).	60% for States 90 % for 3 Himalayan and North East States 100% for UTs
viii.	Professional Efficiency Development (PED)	50% for States 100% for UTs & VCI
ix.	Classical Swine Fever Control Programme (CSF-CP)	90% for NE States

1. Funds for the component 'Assistance to States for Control of Animal Diseases' will be provided to State/Union Territory Governments for control of economically important and zoonotic diseases of livestock and poultry through immunization, strengthening of existing State Veterinary Biological Production Units & State Disease Diagnostic Laboratories and holding of workshops/seminars & training of Veterinarians and Para-veterinarians. 100% assistance is provided for conducting training and holding the seminars/workshops. Under immunization programme, funds will be provided for vaccination against canine rabies also. Under parasitic control programme, funds will be provided to control endo-parasites in cattle and buffaloes (preferably where intensive vaccination programmes are being carried out). States will have to submit the annual action plan for using anthelmintics (preferably broad spectrum anthelmintics) depending upon the prevailing parasite profile (Nematode, Trematode and Cestode) in the state. The State Vaccine Production Units will be strengthened to make them GMP compliant subject to a maximum of Rs. 10.00 crores as central share. The states will have to submit the action plan with detailed project report for assistance under this activity. State Disease Diagnostic Laboratories will also be strengthened to make them GLP compliant. BSL 2 laboratories set up under World Bank Project and ELISA laboratories set up under NPRE Scheme will be strengthened for ISO certification and GLP compliant. ASCAD component would also strengthen the existing surveillance and control measures for Avian Influenza. States are at liberty to ask for the funds for vaccination as per the disease scenario of livestock & poultry in the state/region.

2. Under 'National Project on Rinderpest Surveillance & Monitoring (NPRSM)', assistance will be provided to States/UTs, for meeting administration costs, for undertaking ongoing activities of strengthening veterinary services, surveillance of various animal diseases including syndromic diseases with more focus on diseases like, Contagious Bovine Pleuro-pneumonia (CBPP) & Bovine spongiform Encephalopathy (BSE) etc. for which freedom status has to be maintained. The provision of funds has also been made for meeting expenditure under Central Project Monitoring Unit (CPMU) of NPRSM.

3. The component of National Animal Disease Reporting System (NADRS) will be implemented through National Informatics Centre(NIC) of Government of India to undertake the activities like (i) Ongoing activities for running of NADRS like modifications in the

Application Software, maintenance of Hardware, internet connectivity, etc. (ii) Training of manpower at the National Level and in the States upto Block Level, (iii) Monitoring on hardware & internet connectivity related complaints for ensuring trouble free transmission of disease data from the nodes to the State Project Monitoring Unit/ Central Project Monitoring Unit. Funds for internet connectivity will be provided by the department directly to BSNL/ MTNL and for manpower to National Informatics Centre Systems Incorporated (NICSI).Central Assistance will also be provided to States/ UTs for meeting expenditure on publication of Animal Diseases Reports and its dissemination and other allied activities.

4. Foot & Mouth Disease Control Programme (FMD-CP) will be implemented in all the districts (total 351 districts) of the States namely; Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Maharashtra, Goa, Gujarat, Punjab, Haryana, Uttar Pradesh, Rajasthan, Bihar, Delhi, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu, Lakshadweep and Puducherry. Funds under Foot & Mouth Disease Control Programme (FMD-CP) component will be provided for procurement of FMD vaccine to States/UTs including for meeting vaccination cost, animal identification cards, establishment of temporary quarantine/ check posts and other logistical support for undertaking vaccination by the States/UTs as per scheme norms. Funds will be provided to PD-FMD for sero-monitoring. It is also proposed to further expand the FMD-CP to contiguous States so as to eventually cover the entire country, in a phased manner depending on the availability of funds and vaccines.

5. Peste des Petits Ruminants Control Programme (PPR-CP) which was initially being implemented in States/UTs of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Maharashtra, Goa, Andaman & Nicobar Islands, Lakshadweep, Puducherry, Dadra & Nagar Haveli and Daman & Diu in first phase has been extended to all the remaining States/UTs since February, 2014. Funds will be provided to States/ UTs for procurement of vaccine for carrying out mass vaccination against PPR, strengthening of ELISA labs and PPR vaccine production units, TA / DA, hiring of vehicle, Information, Education & Communication (IEC), purchase of animal identification health cards, equipment & consumables. Research institutions will also be assisted for undertaking surveillance and monitoring under PPR-CP.

6. Funds under component 'Brucellosis Control Programme (Brucellosis-CP) will be provided to States/UTs for mass screening of animals at village/ block/ district level and vaccination of all female calves between 6-8 months in areas where the prevalence of the disease is high. Research institutions will also be assisted for strengthening their laboratories to facilitate the states in procuring diagnostics and for monitoring quality of testing.

7. Under the component 'Establishment and Strengthening of Existing Veterinary Hospitals and Dispensaries (ESVHD)' funds will be provided to States/ UTs for establishment of new hospitals and dispensaries and up-gradation of existing ones, for improving efficiency as per approved norms. 'Mobile Veterinary Clinics (MVCs) will also form part of the component of ESVHD. Each Mobile Veterinary Clinic (MVC) will have the basic diagnostic facility and treatment of animals and provision for sample collection/transportation from the field. The MVCs will be provided with Rs. 5 lakh grant per annum as upper limit. The funds will be provided to the States/UTs for contractual services for technical persons, hiring the vehicles, procurement of necessary equipment required for treatment and disease diagnosis including sample collection and transportation of these samples to the designated laboratory place maintaining cold chain or preservation as necessary. The vehicle should accommodate the

necessary staff, the equipment, reagents/ medicines for treatment and diagnosis, facility for AI and also suitable freeze or related equipment for sample transportation in cold chain.

8. Funds under component 'Professional Efficiency Development (PED)' will be provided for establishing State/ UT Veterinary Councils and to meet cost of administration. Funds to Veterinary Council of India (VCI) will be provided for meeting the administration costs. Besides, the funds will also be provided for Continuing Veterinary Education (CVE) to VCI & State Veterinary Councils (SVC)/State Veterinary/Agriculture Universities.

9. Under component, 'Classical Swine Fever Control Programme (CSF-CP), funds will be provided to the States/UTs for carrying out the vaccination of entire eligible pig population in a phased manner starting in NE states which would be the focus. Depending on the vaccine availability, the scope will be enlarged to cover entire country subsequently. States (NE states) will submit the action plan with detailed requirements for assistance under this activity.

10. It may be ensured that 16.2% of the funds are targeted for SC farmers/beneficiaries under Scheduled Caste Special Plan (SCSP) as per directives of the Planning Commission.

11. This issues with concurrence of IFD vide their Dy. No. 100/ AS&FA Dated 10th May, 2016.

16/5/16
(Harbans Lal)
Under Secretary to the Government of India

HARBANS LAL
Under Secretary
Govt. of India
D/o Animal Husbandry Dairying & Fisheries
M/o Agriculture & Farmers Welfare
Krishi Bhawan, New Delhi

Copy for information and necessary action to:

1. Secretary, Deptt. of Agricultural Research and Education, and DG, ICAR
2. Director General, National Informatics Centre, CGO Complex, Lodi Road, New Delhi
3. Commissioner/Secretary, Finance Department of all States/UTs
4. Chairperson, National Dairy Development Board, Anand, Gujarat
5. Chairman, National Bank for Agriculture and Rural Development, Mumbai
6. Director, Indian Veterinary Research Institute, Izatnagar, Bareilly
7. Directors (AH&VS) of all States/U.T.s
8. Secretary, Veterinary Council of India, New Delhi

Internal

9. PPS to Secretary (AHD&F)
10. PSs to AHC / JS (LH)/ JS (C&DD)/ JS (P&F)
11. Principal Accounts Officer, 16 A, Akbar Road Hutments, New Delhi
12. PAO (Secretariat), Room No. 35, Krishi Bhawan, New Delhi
13. Director (Admin.)/Director (NPRSM)JC (LH)/DC(LH)/AC(LH)/AC(AQ)/AC(AH)
14. US (Fin.)/A.O. (Budget)
15. Admn. I/ Admn.II/ Cash Section/ Guard File

16/5/16
(Harbans Lal)
Under Secretary to the Government of India

HARBANS LAL
Under Secretary
Govt. of India
D/o Animal Husbandry Dairying & Fisheries
M/o Agriculture & Farmers Welfare
Krishi Bhawan, New Delhi

F.No.1-1/2009-DP
Government of India
Ministry of Agriculture and Farmers Welfare
Department of Animal Husbandry, Dairying & Fisheries

Krishi Bhawan, New Delhi-110001
Dated the 11th April, 2016

Subject: - Administrative Approval for implementation of Central Sector Scheme – **"DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME"** during 2016-17.

The undersigned is directed to refer to this Department's OM No 1-1/09-DP dated 9th September, 2010 conveying first administrative approval for Central Sector Scheme – **"DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME (DEDS)"** implementation during 12th Plan and last administrative approval issued vide letter No 1-1/09-DP dated 10th April, 2015 and to convey administrative approval for continuation of DEDS scheme for the financial year 2016-17, during 12th Five Year Plan.

2. Objectives of the Scheme

- to generate self-employment and provide infrastructure for dairy sector;
- to set up modern dairy farms and infrastructure for production of clean milk;
- to encourage heifer calf rearing for conservation and development of good breeding stock;
- to bring structural changes in the unorganized sector, so that initial processing of milk can be taken up at the village level;
- to upgrade traditional technology to handle milk on a commercial scale and
- to provide value addition to milk through processing and production of milk products.

3. Implementing Agency and Area of Operation

The National Bank for Agriculture and Rural Development (NABARD) will be the nodal agency for implementation of DEDS scheme in all the States and UTs throughout the country.

4. Outlays of the scheme

There is budget provision of Rs 140.00 crore during the year 2016-17, which includes Rs 110.00 crore under MH2404 (General Component), Rs 17.00 crore under MH2404 (SC Component) and Rs 13.00 crore under MH 2552 (North Eastern Region).

(K. C. PATRA)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

5. **Components that can be financed, indicative unit cost and pattern of assistance are given below:**

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. **(for SHGs, Cooperatives societies , Producer Companies unit size will be 2-10 animals per member)**	Rs 6.00 lakh for 10 animal unit – minimum unit size is 2 animals with an upper limit of 10 animals.	25% of the project cost (33.33 % for SC / ST farmers), as back ended capital subsidy. Subsidy shall be restricted on prorata basis to a maximum of 10 animals subject to a ceiling of Rs.15,000 per animal, (Rs.20,000 for SC/ST farmers) or actual whichever is lower. Beneficiaries may purchase animals of higher costs, however, the subsidy will be restricted to the above ceilings.
ii	Rearing of heifer calves – cross bred, indigenous descript milch breeds of cattle and of graded buffaloes – upto 20 calves	Rs 5.30 lakh for 20 calf unit – with an upper limit of 20 calves	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy. Subsidy shall be restricted on prorata basis to a maximum of 20 calf unit subject to a ceiling of Rs.6,600/- per calf (Rs.8,800 for SC/ST farmers) or actual whichever is lower.
iii	Vermi compost with milch animal unit (to be considered with milch animals/small dairy farm and not separately)	Rs 22,000/-	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 5,500/- (Rs 7300/- for SC/ST farmers) or actual whichever is lower.
iv	Purchase of milking machines /milkotesters/bulk milk cooling units (upto 5000 lit capacity)	Rs 20 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 5.0 lakh (Rs 6.67 lakh for SC / ST farmers) or actual whichever is lower.

(K. C. PATRA)
Under Secretary
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Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

v	Purchase of dairy processing equipment for manufacture of indigenous milk products	Rs 13.20 lakh	25% of the project cost (33.33 % for SC/ST farmers) as back ended capital subsidy subject to a ceiling of Rs 3.30 lakh (Rs 4.40 lakh for SC/ST farmers) or actual whichever is lower.
vi	Establishment of dairy product transportation facilities and cold chain	Rs 26.50 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 6.625 lakh (Rs 8.830 lakh for SC/ST farmers) or actual whichever is lower.
vii	Cold storage facilities for milk and milk products	Rs 33 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 8.25 lakh (Rs 11.0 lakh for SC/ST farmers) or actual whichever is lower.
viii	Establishment of private veterinary clinics	Rs 2.60 lakh for mobile clinic and Rs 2.0 lakh for stationary clinic	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 65,000/- and Rs 50,000/- (Rs 86,600/- and Rs 66,600/- for SC/ST farmers) respectively for mobile and stationary clinics or actual whichever is lower.
ix	Dairy marketing outlet / Dairy parlour	Rs 1.0 lakh/-	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 25,000/-(Rs 33,300/- for SC/ST farmers) or actual whichever is lower.

Note:- *The subsidy amount will be rounded off to the nearest 100 Rupees. Beneficiaries may submit project proposals without any limit. However, the back ended capital subsidy under the scheme will be restricted to the above ceilings. The Banks will verify the costs of components admissible under the scheme based on the cost norms notified by NABARD.*

(K. C. PATRA)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

6. **Eligible Beneficiaries**

i) Farmers, Individual Entrepreneurs and Groups of Unorganized and Organized Sector. Group of organized sector, includes Self-Help Groups on behalf of their members, Dairy Cooperative Societies, Milk unions on behalf of their members, Milk federation, Panchayati Raj Institutions (PRIs) etc.are eligible under the scheme.

ii) An applicant will be eligible to avail assistance for all components under the scheme but only once for each component.

iii) 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 m.

7. **Pattern of Assistance**

a) Back ended capital subsidy @ 25% of the project cost for general category and @ 33.33 % for SC/ST farmers. The component-wise subsidy ceiling will be subject to indicative cost arrived at by NABARD from time to time.

b) Entrepreneur contribution (Margin) for loans beyond Rs.1 lakh* -10% of project cost (Minimum)

c) Bank Loan - Balance portion

[* Subject to any revision in RBI guidelines]

8. **Financial Institutions eligible for re-finance under the scheme**

a. Commercial Banks
b. Regional, Rural and Urban Banks
c. State Cooperative Banks
d. State Cooperative Agriculture and Rural Development Banks: and
e. Such other institutions, which are eligible for refinance from NABARD

9. **Linkage with credit**

Assistance under the scheme shall be purely credit linked and subject to sanction of the Project by eligible financial institutions and as per the guidelines of the scheme enclosed herewith.

10. **Priorities:**

NABARD should work in close liaison with the State Governments and UTs so that the proposals on priority basis in cluster mode may be implemented. NABARD may also instruct to banks to give priority to projects being implemented in cluster mode farmers/Women in SHGs, Cooperatives and Producer Companies including creation of facilities of processing, value addition and marketing of milk produced in the cluster mode.

(K. C. PATRA)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

11. NABARD shall furnish a monthly progress report to DAHD&F, regarding proposals received and sanctioned; farmers / entrepreneurs benefited; including Scheduled Caste (SC), Scheduled Tribes (ST) & Women members; component-wise details of fund release; funds sanctioned and recovery of loan.

12. It may be ensured that 16.2% of the funds targeted for SC farmers/ beneficiaries under Scheduled Castes Sub Plan (SCSP) as per the directives of Ministry of Finance.

13. This administrative approval for continuation of the scheme during 2016-17 is issued with approval of Joint Secretary (C&DD) of the Department of Animal Husbandry; Dairying & Fisheries vide Dy No 616/JS(CDD) dated 11.04.2016

(K.C. Patra)
Under Secretary to the Govt. of India

(K. C. PATRA)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

1. Principal Accounts Officer, Ministry of Agriculture, Department of Animal Husbandry and Dairying, 16, Akbar Road Hutments, New Delhi-110011.
2. The Accountant General, Commerce, Works and Miscellaneous, AGCR Building, Near ITO, New Delhi-110002.
3. Chief Controller of Accounts, Department of Agriculture and Cooperation, Krishi Bhavan, New Delhi.
4. Advisor (Agriculture), NITI AAYOG, New Delhi.
5. Additional Secretary & Financial Advisor, Deptt. of Animal Husbandry & Dairying, Krishi Bhavan, New Delhi.
6. Chief General Manager, Department of Refinance , NABARD, C-24, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
7. Joint Secretary (Admn.), Room No.199, Ministry of Rural Development, Krishi Bhawan, New Delhi.
8. Joint Secretary (PF-II), Ministry of Finance, Department of Expenditure, North Block, New Delhi.
9. Joint Secretary, Ministry of Finance, Department of Economic Affairs, Banking Operation and Administration Division, Room No.6, 3rd Floor, Jeevan Deep Building, Parliament Street, New Delhi.
10. Chairman, NDDB, P.B.No.40, Anand 388001.
11. All State Governments, Department of Animal Husbandry & Dairying.
12. MD, Milk Federation, States/ UTs
13. Technical Director, NIC (With a request to Include the Administrative approval in website of the Department)

Copy for information to:
PPS to Secretary (AHD&F)
PPS to AS &FA
PPS to AHC
PS to JS (C&DD)/ Dir (DD)/Dir (Budget)/DC(DD)/US (Fin)/ AC (DD)/AO(Budget) .
PS to JS(ANLM)/Ps to JS(LH)

(K.C. Patra)
Under Secretary to the Govt. of India

Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

GUIDELINES FOR DAIRY ENTREPNEURSHIP DEVELOPMENT SCHEME FOR IMPLEMENTATION DURING THE 12TH FIVE YEAR PLAN.

1. Background

1.1 The Department of Animal Husbandry, Dairying and Fisheries is implementing Dairy Entrepreneurship Development Scheme (DEDS) since 01.09.2010 with the objective of 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).

1.2 DEDS scheme has received overwhelming response from dairy entrepreneurs across the country. Considering the contribution made by the scheme in providing livelihood opportunities and gainful employment to small and marginal farmers and dairy entrepreneurs, the Cabinet Committee on Economic Affairs (CCEA) has approved the continuation of DEDS scheme with an outlay of Rs 1400 crores during the 12th Five Year Plan.

2. Objectives of the Scheme

- to generate self-employment and provide infrastructure for dairy sector;
- to set up modern dairy farms and infrastructure for production of clean milk;
- to encourage heifer calf rearing for conservation and development of good breeding stock;
- to bring structural changes in the unorganized sector, so that initial processing of milk can be taken up at the village level;
- to upgrade traditional technology to handle milk on a commercial scale and
- to provide value addition to milk through processing and production of milk products.

3. Implementing Agency and Area of Operation

The National Bank for Agriculture and Rural Development (NABARD) will be the nodal agency for implementation of DEDS scheme in all the States and UTs throughout the country.

4. Outlays of the scheme and implementation Period

The Planning Commission has allocated an amount of Rs 1400 crores for DEDS scheme for 12th Five Year Plan for implementation of the scheme throughout the country.

5. Eligible Beneficiaries

5.1 Farmers, Individual Entrepreneurs and Groups of Unorganized and Organized Sector are eligible under DEDS. Group of organized sector, includes Self-Help Groups on behalf of their members, Dairy Cooperative Societies, Milk unions on behalf of their members, Milk federation, Panchayati Raj Institutions (PRIs) etc.

(K. C. PATRA)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

5.2 An applicant will be eligible to avail assistance for all components under the scheme, but only once for each component. However, 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 m.

5.3 Priority shall be given to projects being implemented in a cluster mode covering dairy farmers/Women in SHGs, Cooperatives and Producer Companies including creation of facilities of processing, value addition and marketing of milk produced in the cluster.

6. Pattern of Assistance

a) Back ended capital subsidy @ 25% of the project cost for general category and @ 33.33 % for SC/ST farmers. The component-wise subsidy ceiling will be subject 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 (Minimum)

c) Bank Loan - Balance portion
[* Subject to any revision in RBI guidelines]

7. Financial Institutions eligible for re-finance under the scheme

a. Commercial Banks
b. Regional Rural and Urban Banks
c. State Cooperative Banks
d. State Cooperative Agriculture and Rural Development Banks: and
e. Such other institutions, which are eligible for refinance from NABARD

8. Linkage with credit

Assistance under the scheme shall be purely credit linked and subject to sanction of the Project by eligible financial institutions mentioned at para 7above.

9. Sanction of project by banks (Financial Institutions):

9.1 The entrepreneurs will prepare a project as per norms of the scheme and submit to the Bank for sanction of the project. The bank shall appraise the project as per the administrative approval issued by DADF from time to time and if found eligible, sanction the total outlay excluding the margin, as a bank loan. The loan amount shall be disbursed in suitable installments depending on the progress of the unit. After the disbursement of the first installment of the loan, the financial institution /bank shall apply to the concerned Regional Office of NABARD for sanction and release of subsidy amount.

9.2 All the financing banks shall be required to forward their subsidy claims through their controlling office to the concerned NABARD Regional Office within two months of disbursement of first installment of the bank loan.

(K. C. PATRA)
Under Secretary
Govt. of India
Ministry of Agriculture
D... of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

10. Project Sanctioning Committee (PSC)

Project Sanctioning Committee (PSC) of NABARD Regional Office shall consider proposals forwarded by the concerned financial institutions/banks and approve the subsidy cases of eligible applicants within one month of receipt of the proposals.

11. Release of subsidy

11.1 Government of India will release funds in advance to NABARD to meet the committed / anticipated liabilities towards the claims received by them and funds will be recouped after balance comes below a certain level. The funds will be utilized by NABARD for providing back ended capital subsidy to eligible beneficiaries through financing banks, as per their subsidy claims.

11.2 After sanction of the subsidy by the PSC, the Regional Office of NABARD shall release the subsidy amount, after confirming the availability of funds from NABARD Head Office. The subsidy shall be released on first come first serve basis subject to availability of funds allocated to the States/UTs.

11.3. All the financing banks shall be required to kept the subsidy amount in "Subsidy Reserve Fund Account (Borrower-wise) in books of the financing institution/bank and adjust the subsidy amount in the subsidy reserve fund account of the beneficiary within seven days of the receipt of subsidy from NABARD. In case the subsidy is not adjusted to the subsidy reserve fund account of the beneficiary within seven days of the receipt, the financing bank shall be liable to compensate the beneficiary to the extent of the additional interest charged.

11.4 After the receipt of subsidy from NABARD, the controlling office of the financing bank/ Institution shall submit a utilization certificate to the effect that the amount has been credited to the reserve fund account of the beneficiary alongwith details of the beneficiary. This certificate should be submitted to the concerned NABARD Regional Office within fifteen days of the receipt of subsidy.

12. Rate of Interest applicable on the loan amount under the scheme

Rate of interest on loans shall be as per RBI guidelines and the declared policy of the concerned bank. The bank may charge interest on the entire loan amount, until the subsidy portion is received; and from the date of the receipt of the subsidy, interest shall be charged only on the effective bank loan portion i.e. bank loan minus subsidy.

13. Time limit for Completion of the project

13.1 Time limit for completion of the project (except for calf rearing units where disbursements are expected to continue upto two years) would be as envisaged under the project, subject to a maximum period of 9 months from the date of disbursement of the first installment of loan. This maximum period may be extended by 3 months in cases where justification provided by the beneficiary is found adequate by the financing bank.

(K. C. PATRA)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

13.2 In case, the project is not completed within the stipulated period, benefit of subsidy will not be available; the advance subsidy placed with the participating bank, if any, shall be refunded to NABARD.

14. Security/Surety

14.1 Security for availing the loan be as per the guidelines issued by RBI from time to time.

14.2 The beneficiary contribution of 10% shall not be required for loans less than Rs.1 lakh or any amount as specified in the RBI guidelines, as revised from time to time.

14.3 Kisan Credit Cards (KCC) may be used for availing loans under the scheme, subject to RBI guidelines.

15. Repayment

15.1. Repayment Period will vary between 3- 7 years depending on the nature of the activity and cash flow. Grace period may range from 3 to 6 months in case of dairy farms to 3 years for calf rearing units (to be decided by the financing bank as per needs of individual projects).

15.2 The recovery of the loan will be based on the net loan amount only. Subsidy shall be adjusted by the concerned bank after the net bank loan (Bank loan minus subsidy) and interest thereon has been repaid.

15.3 Repayment schedules shall be drawn on the total bank loan taken in a manner that the subsidy amount is adjusted after liquidation of the net bank loan (excluding subsidy).

16. Adjustment of subsidy

16.1 Capital subsidy will be back ended (adjusted against last few installments of repayment of the bank loan) with a minimum lock-in period of 3 years, and shall be refunded if the account becomes a Non Performing Account (NPA).

16.2 The subsidy amount will be kept in "Subsidy Reserve Fund Account (Borrower-wise) in books of the financing institution/bank. No interest shall be payable on this amount.

17. Monitoring Mechanism

17.1 Project **Sanctioning Committee (PSC)**: PSC set up at NABARD Regional Offices shall monitor and review the progress of the scheme on quarterly basis. The participating banks shall conduct periodic inspections of the units and give a feedback to the PSC.

17.2 **Joint Monitoring Committee (JMC):** Joint Monitoring Committee (JMC) set up under Chairmanship of Joint Secretary (DD) with representatives of NABARD, concerned Banks and State Secretaries-in-charge of AH&D of four States, on rotational basis for a period of two years, will monitor and review progress of implementation of the Scheme, at regular intervals.

17.3 The **State Level Bankers Committee (SLBC)** and **District Level Bankers Committee (DLBC)** shall review and monitor the Scheme in the concerned State at regular intervals.

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Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
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17.4 Units set up under the scheme will be monitored by conducting **field visits** on a sample basis by NABARD and major observations shall be placed before the PSC for discussion. In case the observation is such that needs to be brought to the attention of JMC, NABARD shall do so.

17.5 **NABARD** shall furnish a **monthly progress report** to **DAHD&F**, regarding proposals received and sanctioned; farmers / entrepreneurs benefited; including SC, ST & Women members; component-wise details of fund release; funds sanctioned and recovery of loan in the format enclosed at **Annexure I**.

18. Other conditions:

18.1 Empowered Committee under the Chairmanship of Secretary (ADF) will have discretion to modify indicative unit cost, based on inputs from NABARD.

18.2 As per directives of Planning Commission, a Separate budgetary provision has been made in the Scheme for SC farmers/beneficiaries under the Special Component Plan for Scheduled Castes (SCP-SC) and for North Eastern States in BE 2013-14.

18.3 DAHD&F reserves the right to modify, add and delete any terms / conditions without assigning any reasons and the Department's interpretation of various terms will be final. Further, the Department reserves the right to recall any amount given under the scheme without assigning any reason thereof

18.4 Surprise inspection shall be undertaken by DAHD&F to assess the physical and financial progress of the projects.

18.5 NABARD would be provided funds equivalent to 3.5% of the subsidy disbursed per year for Administrative expenses (including monitoring and evaluation, of the 3.5% provided as Administrative Expenses, 1% will be spent by NABARD on Publicity of the Scheme) subject to the ceiling of Rs.6 crore per year

18.6 NABARD shall ensure adequate publicity of the scheme throughout the country to ensure that the benefits of the scheme are availed by all eligible beneficiaries. Publicity charges will be restricted to 1% of subsidy disbursed in a year. Special attention will be given to the North Eastern States to sensitize potential beneficiaries.

18.7 Other operational instructions issued by DAHD&F / NABARD from time to time will be strictly adhered to.

18.8 NABARD would provide refinance assistance to commercial banks, Regional Rural Banks (RRBs), Schedule Commercial Banks (SCBs), State Cooperative Agriculture and Rural Development Banks (SCARDBs) and other such eligible institutions. Quantum and rate of interest on refinance will be as decided by NABARD from time to time.

18.9 A signboard displaying "Assisted under DEDS by Department of Animal Husbandry Dairying and Fisheries, Government of India through NABARD" will be exhibited at the unit funded under DEDS.

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Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

19. Components that can be financed, indicative unit cost and pattern of assistance are given below:

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 Note: In the case of SHGs, Cooperatives societies , Producer Companies the unit size will be 2-10 animals per member)	Rs 6.00 lakh for 10 animal unit – minimum unit size is 2 animals with an upper limit of 10 animals.	25% of the project cost (33.33 % for SC / ST farmers), as back ended capital subsidy. Subsidy shall be restricted on prorata basis to a maximum of 10 animals subject to a ceiling of Rs.15,000 per animal, (Rs.20,000 for SC/ST farmers) or actual whichever is lower Beneficiaries may purchase animals of higher costs, however, the subsidy will be restricted to the above ceilings.
ii	Rearing of heifer calves – cross bred, indigenous descript milch breeds of cattle and of graded buffaloes – upto 20 calves	Rs 5.30 lakh for 20 calf unit – with an upper limit of 20 calves	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy. Subsidy shall be restricted on prorata basis to a maximum of 20 calf unit subject to a ceiling of Rs.6,600/- per calf (Rs.8,800 for SC/ST farmers) or actual whichever is lower.
iii	Vermi compost with milch animal unit (to be considered with milch animals/small dairy farm and not separately)	Rs 22,000/-	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 5,500/- (Rs 7300/- for SC/ST farmers) or actual whichever is lower.
iv	Purchase of milking machines /milkotesters/bulk milk cooling units (upto 5000 lit capacity)	Rs 20 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 5.0 lakh (Rs 6.67 lakh for SC / ST farmers) or actual whichever is lower.
v	Purchase of dairy processing equipment for manufacture of indigenous milk products	Rs 13.20 lakh	25% of the project cost (33.33 % for SC/ST farmers) as back ended capital subsidy subject to a ceiling of Rs 3.30 lakh (Rs 4.40 lakh for SC/ST farmers) or actual whichever is lower.
vi	Establishment of dairy product transportation facilities and cold chain	Rs 26.50 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 6.625

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Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

			lakh (Rs 8.830 lakh for SC/ST farmers) or actual whichever is lower.
vii	Cold storage facilities for Milk and Milk Products	Rs 33 lakh	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 8.25 lakh (Rs 11.0 lakh for SC/ST farmers) or actual whichever is lower.
viii	Establishment of private veterinary clinics	Rs 2.60 lakh for mobile clinic and Rs 2.0 lakh for stationary clinic	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 65,000/- and Rs 50,000/- (Rs 86,600/- and Rs 66,600/- for SC/ST farmers) respectively for mobile and stationary clinics or actual whichever is lower.
ix	Dairy marketing outlet / Dairy parlor	Rs 1.0 lakh/-	25% of the project cost (33.33 % for SC / ST farmers) as back ended capital subsidy subject to a ceiling of Rs 25,000/-(Rs 33,300/- for SC/ST farmers) or actual whichever is lower.

Note:- *The subsidy amount will be rounded off to the nearest 100 Rupees. Beneficiaries may submit project proposals without any limit. However, the back ended capital subsidy under the scheme will be restricted to the afore mentioned ceilings. The Banks will verify the costs of components admissible under the scheme based on the cost norms notified by NABARD.*

(K. C. PATRA)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

Annexure I

Progress Report of Dairy Entrepreneurship Development Scheme

State-wish details of application received, subsidy released by NABARD category-wise (General, SC, ST and Women) and numbers of application pending are as under:

Month- ________

Sr No	State/ UTs	No of applications received		No of application sanction										No of application pending		Status
				General category		SC beneficiaries		ST beneficiaries		Women beneficiaries		Total				
		Unit	Amount	Unit	Amount	Unit	Amount	Unit	Amount	Unit	Amount	Unit	Amount	Unit	Amount	

(K. C. PATRA)
Under Secretary
Govt. of India
Ministry of Agriculture
Deptt. of A. H. D. & Fisheries
Krishi Bhawan, New Delhi

No. 5-1/2016-RKVY
Government of India
Ministry of Agriculture and Farmers Welfare
Department of Agriculture, Cooperation & Farmers Welfare
Rashtriya Krishi Vikas Yojana

KrishiBhawan, New Delhi
Dated the 11th May, 2016.

To,

Agriculture Production Commissioner/
Principal Secretary (Agriculture)/
Commissioner & Secretary/Secretary (Agriculture)
of all State Government / Union Territories.

Sub:- Administrative Approval for the Normal RKVY & Sub-Schemes under the Rashtriya Krishi Vikas Yojana (RKVY) for the year 2016-17 - regarding.

Sir/Madam,

I am directed to convey the Administrative Approval of Government of India to the implementation of under Rashtriya Krishi Vikas Yojana (RKVY) - Normal RKVY as well as RKVY Sub-Schemes - in the States and Union Territories(UTs) during 2016-17 with allocation of Rs.5400 Crore (Rupees Five thousand four hundred crore only) as per details given below:-

(Rs.in Crore)

Revenue Section Major Head	Plan	Non-Plan	Total
3601 – Grants-in-aid to State Governments	5343.00	-	5343.00
3602- Grants-in-aid to UTs (with Legislature)	3.00	-	3.00
2401 - Crop Husbandry	54.00	-	54.00

2. The sharing pattern of the allocation / release of funds will be in the ratio of 60:40 between Centre and States (90:10 in respect of North Eastern and Himalayan States). The allocation / release for UTs will be 100% Grant.

3. 20% of the fund available under MH-3601 and MH-3602, ie, Rs.1069.20 crore is earmarked for implementation of Sub-schemes under RKVY during 2016-17. The allocations under different Sub-schemes will be communicated separately as and when finalized.

4. The concerned States / UTs will be responsible for allocation and monitoring of resources for SC/ST/Women beneficiaries and maintain database for the same as per extant guidelines for Normal RKVY and Sub-schemes.

5. States need to fulfill the following requirements during programme implementation -

Vinaya Kumar ......2/.....

i. There should be no deviation from the components/guidelines, etc. stipulated in the Administrative Approval and Operational Guidelines of RKVY and its Sub-schemes.

ii. State Government / UTs shall ensure that project details of all the project approved under Normal RKVY and Sub-schemes are entered in the RKVY Relational Database & Management Information System (RDMIS) from time to time.

6. The State Governments / UTs are requested to furnish Utilization Certificates in the prescribed proforma (GFR – 19A) for the funds utilized upto 31.03.2016 to this Department immediately.

7. States and other Implementing Agencies may formulate their project proposals for approval of State Level Sanctioning Committee (SLSC) for release of funds after fulfilling stipulated conditions mentioned in RKVY Guidelines.

Yours faithfully,

Vinaya Kumar

(V. K. Srivastava)
Under Secretary to the Government of India
Tel. No. 011-23383990

Copy to:

1. The Adviser (Agriculture), NitiAayog, New Delhi.
2. The Adviser (State Plan), NitiAayog, New Delhi.
3. The Adviser (FR), NitiAayog, New Delhi.
4. The Pay & Accounts Officer, Ministry of Agriculture, Department of Agriculture & Cooperation, 16-Akbar Road Hutments, New Delhi.
5. The Principal Accounts Officer, Ministry of Agriculture, Department of Agriculture & Cooperation, 16-Akbar Road Hutments, New Delhi.
6. Secretary (Planning)/Secretary (Finance)/Director of Agriculture/Accountant General (A&C) of all State Governments.
7. Secretary, Department of Expenditure, North Block, New Delhi.
8. Joint Secretary (LH)/Joint Secretary (Fisheries)/Joint Secretary (DD)/Joint Secretary (PC), DAHD&F KrishiBhawan, New Delhi.
9. Sr. PPS to Secretary (A&C)/PPS to AS (RKVY)/PPS to Joint Secretary (RKVY).
10. Finance Division/Budget Section/Budget & Account Section of DAC.
11. Guard File.

Vinaya Kumar

(V. K. Srivastava)
Under Secretary to the Government of India

F.No 7-1/2016-RKVY
Government of India
Ministry of Agriculture and Famers Welfare
Department of Agriculture, Cooperation & Farmers Welfare
(RKVY Cell)

Krishi Bhawan, New Delhi
Dated the 19th April, 2016

To

Principal Secretary (Agriculture)/ Agriculture Producation Commissioner/Secretary (Ariculture) (All States/UTs as per list)

Subject: Interim Statewise allocation under Rashtriya Krishi Vikas Yojana (RKVY) for the year 2016-17- reg.

Sir,

I am directed to convey approval of the competent authority for interim Statewise allocation of funds (Central share) under Normal RKVY (Production Growth, Infrastructure & Assets and Flexi Fund Streams) for 2016-17 as per the Statement annexed to facilitate release of first instalment to States to enable them to take advance action in the ensuing Kharif season.

2. The changed funding pattern of RKVY from 100:0 to 60:40 between Centre and States (90:10 for the North Eastern and 3 Himalayan States) since 2015-16 shall also be applicable for the current FY i.e 2016-17. Consequent to this, the share to be contributed by the States under RKVY (on the basis of interim allocation) is given at Column 4 of the Statement annexed. Final allocation will be made in consultation with Niti Aayog based on the prescribed allocation criteria.

3. As per para 3.2 of scheme guidelines, a State becomes eligible to receive RKVY allocation, if and only if

i. The base line share of Agriculture & Allied sectors in its total State Plan (excluding RKVY funds) expenditure is at least maintained ; and
ii. District Agriculture Plan (DAP) and State Agriculture Plan (SAP) have been formulated.

4. In view of drought situation in many parts of the country, the criteria 3.2 (i) has been relaxed for the year 2016-17 and thus all States/UTs are eligible for assistance under RKVY during current FY. However, this condition will be followed scrupulously from FY 2017-18. Further, the fulfillment of criteria 3.2 (ii) and preparation of SAIDP is mandatory condition for release of second instalment under the scheme during 2016-17.

5. Furthermore, at the time of release of first instalment in 2016-17, in addition to conditions prescribed in RKVY guidelines, the States which have taken only first instalment last year in Normal RKVY/ sub- schemes are required to submit Utilization Certificate (UC) of 60% of funds released last year alongwith proof of release of State share and 100% UCs for funds released in all prior years to last year.

Yours faithfully,

Vinaya Kumar

Encl: As above

(V.K Srivastava)
Under Secretary to the Government of India
Ph. No. 23383990

Copy to:
Director of Agriculture
(All States/UTs as per list)

Interim Statewise Allocation (Centre and States Share) under RKVY during 2016-17

(Rs. in crore)

Sl. No.	Name of the State	Central Share (Interim)	State Share(Interim)
1	2	3	4
1	Andhra Pradesh	220.71	147.14
2	Bihar	104.39	69.60
3	Chhatisgarh	80.81	53.87
4	Goa	51.08	34.06
5	Gujarat	205.46	136.97
6	Haryana	109.88	73.25
7	Jharkhand	57.89	38.59
8	Karnataka	401.90	267.93
9	Kerala	108.13	72.08
10	Madhya Pradesh	310.27	206.85
11	Maharashtra	427.27	284.85
12	Orissa	227.39	151.59
13	Punjab	165.90	110.60
14	Rajasthan	397.41	264.94
15	Tamil Nadu	305.73	203.82
16	Telangana	152.91	101.94
17	Uttar Pradesh	330.53	220.35
18	West Bengal	234.31	156.20
	Total	**3891.96**	**2594.64**
	NER States		
19	Arunachal Pradesh	37.14	4.13
20	Assam	88.36	9.82
21	Manipur	24.08	2.68
22	Meghalaya	19.45	2.16
23	Mizoram	19.55	2.17
24	Nagaland	29.72	3.30
25	Sikkim	28.66	3.18
26	Tripura	25.35	2.82
	Total	**272.31**	**30.26**
	Himalayan States		
27	Jammu & Kashmir	33.31	3.70
28	Himachal Pradesh	29.10	3.23
29	Uttarakhand	47.12	5.24
	Total	**109.53**	**12.17**
	Union Territories		
1	Andaman & Nicobar Islands	4.69	Funds to UTs will be provided as 100% grant by Central Government.
2	Chandigarh	0.31	
3	D & N Haveli	5.42	
4	Daman & Diu	0.94	
5	Lakshadweep	0.63	
6	Delhi	1.50	
7	Puducherry	1.51	
	Total	**15.00**	
	Grand Total	**4288.80**	**2637.07**

Eshwaya Kumar
19/04/16

No.7-2/2016-RKVY
Government of India
Ministry of Agriculture and Farmers Welfare
Department of Agriculture, Cooperation and Farmers Welfare
RKVY Division

Krishi Bhawan, New Delhi
Dated the 25th April, 2016

To

Pr. Secretary (Agriculture)
/APC/Secretary (Revenue) to all States/UTs.

Sub: Implementation of the Additional Fodder Development Programme (AFDP) under Rashtriya Krishi Vikas Yojana (RKVY) during 2016-17 to meet the potential need of the Livestock of drought affected States.

Sir,

In order to take advance steps to mitigate drought implications on Livestock in view of drought situation in many states last year, it has been decided to implement Additional Fodder Development Programme (AFDP) with an allocation of Rs.100 crore as a special intervention / sub-scheme of RKVY during the year 2016-17 in the districts/blocks in the event of declaration of drought by State Governments.

2. The sub-scheme will be implemented as per the detailed guidelines of AFDP issued vide this Department's letter No. 2-1/2015-RFS-II dated 22.08.2015 with the only difference that the subsidy to the beneficiary for taking up additional production of fodder shall be shared between Government of India and the State Government on 60:40 basis.

Yours faithfully,

Vinaya Kumar

(V.K.Srivastava)
Under Secretary to the Govt. of India
Email:-vk.srivastava64@nic.in
Ph. No. 23383990

Copy to

1. AS (DM) /AS (RKVY)/ AS&FA
2. Joint Secretary (RFS) – with the request to convey state wise allocation under the sub-scheme.
3. JS (DM), JS (RKVY)
4. Senior PPS to Secretary (AC&FW)

सत्यमेव जयते

Rashtriya Krishi Vikas Yojana (RKVY)

Operational Guidelines For XII Five Year Plan

Department of Agriculture & Cooperation
Ministry of Agriculture
Government of India
2014

CONTENTS

1. Introduction

1.1 To spur growth in the Agriculture and allied sectors, National Development Council (NDC), in its meeting held on 29th May, 2007 observed that a special Additional Central Assistance (ACA) Scheme be introduced to incentivize States to draw up comprehensive agriculture development plans taking into account agro-climatic conditions, natural resources and technology for ensuring more inclusive and integrated development of agriculture and allied sector.

1.2 In pursuance to aforesaid observation and in consultation with the Planning Commission, Department of Agriculture & Cooperation (DAC), Ministry of Agriculture, Govt. of India launched Rashtriya Krishi Vikas Yojana (RKVY) from 2007-2008, which has been operational since then.

1.3 During XI Plan, Rs. 22,408.76 crore was released to States out of which Rs. 21,586.6 crore was utilized in implementing 5768 projects in certain broad categories namely; crop development, horticulture, agricultural mechanization, natural resource management, marketing & post-harvest management, animal husbandry, dairy development, fisheries, extension etc.

1.4 By virtue of these enhanced investments, agriculture and allied sectors could achieve an annual growth rate of 3.64% during the XI plan against a growth rate of 2.46% per annum in the X plan period.

1.5 Based on feedback received from States, experiences garnered during implementation in XI Plan and inputs provided by Stakeholders; Operational Guidelines of RKVY have been revised to not only enhance efficiency and efficacy of the programme but also its inclusiveness during XII Plan period.

2. Objectives of RKVY

2.1 RKVY aims at achieving and sustaining desired annual growth during the XII Plan period, by ensuring holistic development of Agriculture and allied sectors.

2.2 To recapitulate, the main objectives of the scheme are :

(i) To incentivize the States so as to increase public investment in Agriculture and allied sectors.

(ii) To provide flexibility and autonomy to States in the process of planning and executing Agriculture and allied sector schemes.

(iii) To ensure the preparation of agriculture plans for the districts and the States based on agro-climatic conditions, availability of technology and natural resources.

(iv) To ensure that the local needs/crops/ priorities are better reflected in the agricultural plans of the States.

(v) To achieve the goal of reducing the yield gaps in important crops, through focused interventions.

(vi) To maximize returns to the farmers in Agriculture and allied sectors.

(vii) To bring about quantifiable changes in the production and productivity of various components of Agriculture and allied sectors by addressing them in a holistic manner.

3.0 Eligibility Criteria and Inter State Allocation of Funds:

3.1 RKVY will continue to be implemented as a State Plan Scheme. The list of allied sectors as indicated by the Planning Commission will be the basis for determining the sectoral expenditure, i.e., Crop Husbandry (including Horticulture), Animal Husbandry and Fisheries, Dairy Development, Agricultural

Research and Education, Forestry and Wildlife, Plantation and Agricultural Marketing, Food Storage and Warehousing, Soil and Water Conservation, Agricultural Financial Institutions, other Agricultural Programmes and Cooperation. In addition, expenditures which are directly related to the development of agriculture viz., expenditure on shallow tube well, deep tube well, drip irrigation, sprinkler irrigation, dug wells or other similar irrigation activities which are budgeted under Agriculture Department of the State, authenticated figures of expenditure by Panchayati Raj Institutions (PRI) /Administrative Units on agriculture & allied activities will also be considered for calculating base line expenditure. (Also refer to Appendix-B)

3.2 **Eligibility Criteria:** A State will become eligible to receive RKVY allocation, if and only if:

a) The base line share of Agriculture and allied sectors in its total State Plan (excluding RKVY funds) expenditure is at least maintained; and

b) District Agriculture Plans (DAP) and State Agriculture Plans (SAP) have been formulated.

The base line level of expenditure will be the "minimum of the percentage expenditure incurred on agriculture and other identified related sectors during three years preceding to previous year". For States to become eligible, "average percentage share of expenditure in agriculture and other identified related sectors during last three years" should be at least equal to base line level (Illustration is at Appendix- A).

3.3 **Inter-State Allocation:** Once a State becomes eligible for accessing funds under RKVY, the quantum of assistance (or fund allocation) and the process of subsequent allocation to the State will be in accordance with the parameters and respective weights, as explained in Appendix-B.

3.4 There may arise a situation when a particular State becomes ineligible to avail of the funds under RKVY in a subsequent year due to its lowered expenditure on Agriculture and allied sectors. If this were to happen, such States shall be required to commit their own resources for completing the sanctioned/ ongoing projects/schemes under the RKVY.

3.5 RKVY Funds will be made available to the States in two installments of 50% each. Eligibility & Inter-State allocation criteria will not be applied for providing funds under the sub-schemes of RKVY or RKVY Special schemes.

3.6 Release of funds will be made to the State Government only and States may supplement RKVY projects from within their own resources.

4.0 Programme Components (Streams)

4.1 RKVY funds would be provided to the States as 100% grant by the Central Government in following streams.

(a) RKVY (Production Growth) with 35% of annual outlay,

(b) RKVY (Infrastructure and Assets) with 35% of annual outlay;

(c) RKVY (Special Schemes) with 20% of annual outlay; and

(d) RKVY (Flexi Fund) with 10% of annual outlay (States can undertake either Production Growth or Infrastructure & Assets projects with this allocation depending upon State specific needs/priorities).

4.2 **RKVY (Production Growth):** States can take up any project under this stream to raise production and productivity in agriculture and allied sectors. This will normally include all food crop activities, including distribution of agricultural inputs, extension, soil health, plant health & Integrated Pest Management(IPM), production & distribution of seeds, animal husbandry, dairying & fisheries, training and skill development of stakeholders, production specific research projects, information dissemination etc. Projects proposed under RKVY (Production Growth) shall normally emanate from the District and State Agriculture Plans. Broad areas of focus for this Stream are at Appendix-C1.

4.3 RKVY (Infrastructure and Assets): Projects under this stream will emanate from State Agriculture Infrastructure Development Programme (SAIDP) (please refer to para 5.7 also). This will normally include projects selected on the basis of normative requirement of infrastructure, actual availability thereof and the gap in agriculture infrastructure in the State viz. setting up of laboratories and testing facilities, storage including cold-storages, mobile vans, agricultural marketing etc. An illustrative list of possible infrastructure and assets which can be funded under this stream is given at Appendix-C2. State Governments will also determine sectoral classification for investment requirements for infrastructure in public, public-private and private sectors and accordingly work out financial support for funding gaps in infrastructure taking into account viability gap which would be based on financial analysis. However, in any case, subsidy will be capped to 25% of total project cost. While a number of infrastructure items are covered under Rural Infrastructure Development Fund (RIDF) and Viability Gap Funding (VGF) of the Ministry of Finance, RKVY funds should supplement those sources and not replace them. In any case, quantum of assistance under RKVY should not exceed assistance under VGF.

4.4 RKVY (Special Schemes): This will comprise of schemes based on national priorities as notified by Govt. of India from time to time. In the event of Government of India not declaring any special subscheme in a year (or not continuing sub-schemes of previous year) or the aggregate amount earmarked for such special sub-schemes falling short of 20% of the RKVY budgetary allocation for the year, the remaining amount will be allocated additionally to RKVY (Production Growth Stream) funds.

4.5 Under RKVY (Production Growth) & RKVY (Infrastructure & Assets) streams, States are free to choose appropriate components/ activities, but it has to be ensured that these are reflected adequately in SAP and DAPs. Scheme(s) administered by the Departments of Agriculture and Cooperation, Animal Husbandry, Dairying and Fisheries, Dept. of Land Resources, Ministry of Water Resources, Ministry of Food Processing Industries etc., already have elaborate guidelines, which ought to be followed by the implementing Agencies for similar activities/project components. However, State must refrain from undertaking activities/components as illustrated in Appendix-D.

4.6 Cost Norm & Pattern of Assistance: Activities/components proposed under RKVY especially under production growth stream are generally covered under various ongoing schemes/programmes of Central Government viz. Dept. of Agriculture & Cooperation, Dept. of Animal Husbandry, Dairying & Fisheries, Dept. of Land Resources, Ministry of Water Resources, Ministry of Food Processing Industries, Ministry of New & Renewable Energy, Ministry of Rural Development etc. Technical requirements / standards and financial norms (cost norms and pattern of assistance) etc. for these activities/ components that have been specified in various schemes/prgrammes will also be applicable for RKVY. In the absence of such criterion in respect of any component in Central Plan Scheme, norms and conditions prescribed by respective State Governments for their schemes may be applied. In cases where no Central / State Govt. norms are available, a certificate of reasonableness of the proposed project cost along with reasons thereof will invariably be given by State Level Project Screening Committee (SLPSC) in each such case. Even in such cases, financial assistance should not be more than 25% of the project cost (Also refer to para-6.1-6.3).

5.0 District and State Agriculture Plans:

5.1 Districts and State Agriculture Plans will remain as cornerstone of planning and implementation of this scheme.

5.2 District Agriculture Plans (DAPs) are integral to the District Development Plan. Each District will have a DAP after taking into consideration resources that would be available during XII Plan from other ongoing schemes (both State and Central), like Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Swarnajayanti Gram Swarojgar Yojana (SGSY) and Backward Regions Grant Fund (BRGF), Integrated Watershed Management Programme (IWMP), Accelerated Irrigation Benefit Programme (AIBP), Bharat Nirman etc. DAP shall not be the usual aggregation of the existing schemes but would aim at moving towards projecting the requirements for development of Agriculture and allied sectors of the district. These plans will present the vision for Agriculture and allied sectors within the overall development perspective of the district. DAP's would also present their financial requirements in addition to sources of financing the agriculture development plans in a comprehensive way. Since achievement of RKVY's objectives is sequel to proper District Planning, these requirements should be adhered to by the State as far as possible. The States will have to specify the institutional mechanisms evolved by them for District Planning and submit a status report at the stage of the Annual Plan exercise. DAP will include animal husbandry and fishery development, minor irrigation projects, rural development works, agricultural marketing schemes and schemes for water harvesting and conservation, etc. keeping in view the natural resources and technological possibilities in each district.

5.3 District level potential linked credit plans (PLP) already prepared by the National Bank for Agriculture and Rural Development (NABARD) and Strategic Research and Extension Plans (SREP) developed under the Agricultural Technology Management Agency (ATMA) etc. may be referred for revision of DAPs. It should also be ensured that the strategies for convergences with other programmes as well as the role assigned to the Panchyati Raj Institutions (PRIs) are appropriately incorporated in DAPs. States may also engage consultants/consulting agencies to revise / update DAPs and SAP.

5.4 Each State will also have a comprehensive State Agricultural Plan (SAP) for XII Plan by integrating the District Plans. SAPs will invariably have to indicate resources that can flow from the State to the districts.

5.5 Several States/UTs have already prepared comprehensive district and State agriculture plans for XI Plan, which should be revised and updated appropriately for implementing RKVY during XII Plan keeping in view modification proposed for the plan period and emerging needs of the State.

5.6 Revision and updation of SAPs could be a two-way process. Firstly, State nodal department (or Agriculture Department) could get DAPs revised in the first instance to ensure that priorities of the State are properly covered in the district plans. States should, at this stage of scrutiny, ensure that requirements of districts and priorities of the State are appropriately captured and aligned in DAPs. Alternately, State Nodal Agency could communicate to the districts in the first instance, the State's priorities that ought to reflect in the respective district plans and the districts may incorporate these in their updated district plans.

5.7 Preparation/revision of the DAPs is an elaborate, exhaustive and iterative process and care need be taken by the State nodal department and district agriculture department in ensuring that these plans cover the entire gamut of agriculture & allied sectors.

5.8 State Agriculture Infrastructure Development Programme (SAIDP): Each State will be required to prepare SAIDP in similar manner to that of DAPs and SAPs for identifying shelf of projects for RKVY (Infrastructure & Assets) stream.

SAIDP should ideally be consolidation of requirement of infrastructure identified in DAPs and SAP.

5.9 State Planning Department will provide revised/updated SAP and SAIDP to Department of Agriculture (DAC) and Planning Commission as a part of State's annual State Plan exercise.

6.0 State Level Project Screening Committee (SLPSC):

6.1 A State Level Project Screening Committee (SLPSC) will be constituted by each State for screening RKVY project proposals, which will be headed by Agriculture Production Commissioner or any other officer nominated by Chief Secretary. Other members of SLPSC would be decided by the State Chief Secretary.

6.2 SLPSC will screen all project proposals for ensuring conformity with RKVY guidelines and that they flow from SAP/DAPs besides being consistent with technical requirements / standards and financial norms (cost norms and pattern of assistance) etc. in respect of components that have been specified in relevant Central Government/State Government schemes (As also outlined in para-4.6).

6.3 SLPSC will also screen all Detailed Project Reports (DPRs) prepared by various departments for its suitability, its linkage to DAP, SAIDP and SAP and its adherence to the RKVY guidelines.

6.4 Before recommending projects to SLSC, SLPSC will further examine and ensure that:

a) Funds available under other schemes of the State Government and / or Government of India for the proposed projects have been accessed and utilized before they are brought under the RKVY umbrella;

b) RKVY projects/activities should not create any duplication or overlapping of assistance /area coverage vis-à-vis other schemes/programmes of State/Central Government;

c) RKVY funds are not being proposed as additional or 'top-up' subsidy to other ongoing schemes/programmes of State/Central Government;

d) State Agriculture Infrastructure Development Programme (SAIDP) has been prepared;

e) At least 25% of total value of projects including 'Production growth' and 'Assets & Infrastructure' Streams have emanated from comprehensive district agricultural plan (CDAP) and have been approved by the District level Panchayati Raj Institutions (PRIs) so that field level gaps are correctly addressed;

f) DPRs have included provision for monitoring and evaluation;

g) For Research Projects proposed under RKVY, clearance of Indian Council of Agriculture Research (ICAR) has been obtained;

h) Convergence with other State/Central Schemes has been attempted; and

i) Recommended projects ensure adequate allocation to allied sectors including Farmer Producer Organizations (FPO).

A checklist containing items at 6.4(a) to 6.4 (i) shall be prepared and enclosed with SLSC agenda note.

7.0 State Level Sanctioning Committee (SLSC):

7.1 A State Level Sanctioning Committee (SLSC) headed by the Chief Secretary of the State is vested with the authority to sanction specific projects recommended by the SLPSC under each stream of RKVY in a meeting attended by representatives of Government of India. The quorum for SLSC meetings would not be complete without the presence of at least one representative from the Government of India. Composition of SLSC is at Appendix-E.

7.2 SLSC may co-opt two more members from Agricultural Research Organizations, reputed NGOs working in the field of Agriculture, District Collectors/Deputy Commissioners of important districts, and leading farmers. The State Governments will notify the constitution of SLSC and consequent changes in its composition/incumbent.

7.3 SLSC will, inter alia, be responsible for

a) Sanctioning the projects under RKVY;

b) Monitoring progress of each project sanctioned by it under each stream of RKVY;

c) Reviewing implementation of the schemes' objectives and ensure that the projects / schemes are implemented in accordance with the guidelines laid down;

d) Ensuring that no duplication of efforts or resources takes place;

e) Commissioning/undertaking field studies to monitor the implementation of projects;

f) Initiating evaluation studies from time to time, as may be required;

g) Undertaking any other project of importance to the State's Agriculture and allied sectors;

h) Ensuring that there are no inter-district disparities with respect to the financial patterns / subsidy assistance in the projects; and

i) Ensuring that all extant procedures and instructions of Govt. of India in addition to RKVY guidelines are followed so that the expenditure incurred on implementation of the projects is barest minimum with due concern for economy in expenditure and also in conformity with the cannons of financial propriety, transparency and probity.

7.4 SLSC shall meet as often as required but shall meet at least once in a quarter.

8.0 Preparation & Sanctioning of Projects:

8.1 Detailed Project Reports (DPRs):

RKVY is a project-based scheme. Thus, Detailed Project Reports (DPRs) shall have to be prepared for each of the RKVY projects incorporating all essential ingredients i.e. feasibility studies, competencies of the implementing agencies, anticipated benefits (outputs/outcomes) that will flow to the farmers/ State, definite time-lines for implementation etc. In case of large projects costing more than Rs. 25 crore, DPRs should be subjected to third party 'techno-financial evaluation' and circulated well in advance to concerned Central Ministries for obtaining comments/observations.

8.2 DPRs for all projects relating to agriculture, animal husbandry, dairying and fisheries etc., should certify that there would be no duplication of funding and/or undertaking similar activities in the same areas under other Plan schemes of Central/State Government. DPRs should clearly indicate the year-wise physical & financial targets proposed under each project.

8.3 It will be permissible for the States to initiate specific projects with definite time-lines, and clear objectives for Agriculture and allied sectors excluding forestry and wild life, and plantations (i.e., Coffee, Tea and Rubber).

8.4 The Nodal Department (refer to para-9.1) will place RKVY project proposals before the State Level Project Screening Committee (SLPSC) which shall, after due consideration, place eligible & scrutinized project proposals before SLSC for approval.

8.5 SLSC's will normally approve projects equal to the amount of State's allocation under RKVY. Under no circumstances, SLSC's may approve projects for more than 150% of the State's allocation under RKVY for funding in a year (after taking into account cost to be funded in the year concerned for multi-year infrastructure projects). In case projects with outlay higher than the allocation for the State is approved by SLSC, priority will be indicated in the Minutes of SLSC meeting inter-alia specifying costs and physical & financial targets that will be taken up for implementation during the year limited to the ceiling of total allocation of funds to the States for the year. In case of projects having implementation period spanning over more than one financial year, financial year-wise phasing of expenditure and the targets/milestones to be achieved will be specifically mentioned in the minutes of SLSC meetings.

8.6 While sanctioning projects under RKVY, SLSC shall also ensure that adequate coverage of small and marginal farmers, Scheduled Castes (SC), Scheduled Tribes (ST), physically challenged, women and other weaker segments of society is ensured so that the benefits of implementation are inclusive and accrue to the intended beneficiaries in accordance with Govt. guidelines and policies. In addition, SLSC shall also ensure that Farmer Producer Organization (FPO) are given desirable support in RKVY projects.

9.0 Planning & Implementation of RKVY

9.1 State Agriculture Department shall be the nodal department for the implementation of the scheme. For administrative convenience and ease of implementation, State governments may identify, or create an exclusive agency for implementing the scheme on a fast-track. Even where such an Agency is created/designated, the entire responsibility of ensuring proper implementation of RKVY rests with the State Agriculture Department.

9.2 In a situation where the States notify a Nodal agency, the costs of running the agency, will have to be met from within the 1% limit of RKVY allocation (excluding special schemes) and subject to conditionality(s) indicated in para 11 of the guidelines.

States may supplement any administrative expenditure in excess of the 1% limit, from their own resources.

9.3 The Agriculture department/nodal agency will be responsible for the following:-

(i) Preparing State Agriculture Plan (SAP) & State Agriculture Infrastructure Development Programme (SAIDP) and ensuring the preparation of the District Agriculture Plans (DAPs).

(ii) Effectively coordinating preparation and appraisal of projects, implementing, monitoring, and evaluation with various Departments and implementing Agencies.

(iii) Management of funds received from the Central, and State Governments and disbursement of the funds to the implementing agencies.

(iv) Furnishing of utilization certificates and quarterly physical & financial progress reports to the Department of Agriculture and Cooperation. Indicative proforma for submission utilization certificate is at Appendix-F.

(v) Effectively utilizing and regularly updating web enabled IT based RKVY Management Information System (RKVY-MIS).

9.4 The State Level Nodal Agency will forward SLSC meeting notice along with sufficient number of copies (not less than 20) of agenda and project details to Department of Agriculture & Cooperation (DAC) so as to reach at least 15 days before the meeting of SLSC to enable Government of India's representatives to come prepared and to participate meaningfully in the SLSC meeting.

9.5 Once SLSC sanctions the projects, DAC will release funds to State Government only.

9.6 As envisaged in National Policy for Farmers (2007) (para 11-viii), Panchayati Raj Institutions (PRI) should be actively involved in implementation of RKVY especially in selection of beneficiaries, conducting social audit etc. Recommended activity mapping for effective devolution of funds, functions and functionaries to PRIs is at Appendix-G.

10.0 Release of Funds:

10.1 50% of the RKVY annual allocation will be released as first installment to the State, upon the receipt of the minutes of SLSC approving implementation of new projects and/or continuation of ongoing projects during current financial year alongwith lists of projects approved and their entry in RKVY Database (RDMIS).

10.2 In case, total cost of approved project is less than annual outlay, funds to the tune of 50% of approved project cost will be released.

10.3 Release of the second and final

installment would be considered on the fulfillment of the following conditions:

a) 100% Utilization Certificates (UCs) for the funds released upto previous financial year;

b) Expenditure of at least 60% of funds released in first installment during current year; and

c) Submission of performance report in terms of physical and financial achievements as well as outcomes, on a quarterly basis, within the stipulated time frame in specified format.

10.4 If a State fails to submit these documents within reasonable period of time, balance funds may be reallocated to better performing States.

10.5 Nodal Agency shall ensure that Project-wise accounts are maintained by the Implementing Agencies and are subjected to the normal process of Statutory Audit. Likewise, an inventory of the assets created under RKVY Projects should be carefully preserved and assets that are no longer required should be transferred to the Nodal Department, for its use and redeployment where possible.

10.6 Central assistance will be released as per the approved mechanism of the Ministry of Finance.

10.7 Nodal Agency/Department should ensure that the Central Assistance released under the Scheme is utilized in accordance with the approved State and District Plans. Since the amounts of the second and final installment of the allocation will depend upon the progress of utilization of funds, States should ensure that the funds released are utilized promptly, properly and progress reports are sent to DAC at the earliest. Non-utilization of central assistance will hinder further release of funds.

11.0 Administrative Expenses & Contingencies:

11.1 State is permitted to use upto 1% of its total RKVY funds (excluding funds allocated under RKVY sub-schemes) for incurring administrative expenditure that includes payments to consultants, recurring expenses of various kinds, staff costs, etc. However, no permanent employment can be created, nor can vehicles be purchased.

11.2 DAC may retain a proportion of 1% of the RKVY funds (including RKVY sub schemes) at Central level for monitoring, evaluation or for such administrative contingencies that may arise at various times.

11.3 Nodal Agency is authorized to hire consultants/consulting agencies to prepare the DPRs and up to 5% of the funds in the stream can be utilized for the preparation of DPRs.

12.0 Monitoring & Evaluation:

12.1 RKVY-Management Information System (RKVY-MIS): DAC has put in place a web-based Management Information System (MIS) for RKVY to collect essential information related to each project. States will be responsible for timely submission/updating project data online in the system (preferably on a fortnightly basis), which has been designed to provide current and authenticated data on outputs, outcome and contribution of RKVY projects in the public domain (http://www.rkvy.nic.in). As RKVY-MIS report shall be the basis of 'on line monitoring' and judging 'Inter-State performance', States may establish a dedicated RKVY-MIS cell for this purpose.

12.2 To the extent possible, assets created by this scheme should be captured digitally and be mapped on a GIS platform for future integration onto National-GIS system.

12.3 Twenty five percent (25%) of the projects sanctioned by the State each year under the three streams e.g. RKVY (production growth), RKVY (Infrastructure & Assets) & RKVY (Sub-schemes) shall have to be compulsorily taken up for third party monitoring and evaluation by the implementing States.

12.4 Action plan for monitoring and evaluation will be chosen by SLSC every year in its first meeting based on project cost, importance of the project etc. preferably covering all sectors. The State Government will be free to choose any reputed agencies for conducting the monitoring and evaluation work in their States.

Requisite fees/cost towards monitoring & evaluation will be met by the State Government from the 1% allocation retained by them for administrative expenses.

12.5 DAC will evolve suitable mechanism for concurrent evaluation of implementation of RKVY. DAC may engage suitable agency for conducting State specific/Pan India periodic implementation monitoring and/or mid-term/end-term evaluation of the scheme.

12.6 The performance of the States will be reflected in the Outcome Budget document of this Ministry.

13.0 Convergence:

13.1 RKVY is additional central assistance to the State Plan for Agriculture and allied sectors and thus it is essential to encourage convergence with schemes like Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Swarnajayanti Gram Swarojgar Yojana (SGSY) and Backward Regions Grant Fund (BRGF). States shall also ensure convergence with other Central Schemes of Ministry of Agriculture (e.g. Department of Agriculture & Cooperation & Department of Animal Husbandry, Dairying & Fisheries & Department of Agriculture Research & Education) and other relevant Ministries/Departments viz., Ministry of Food Processing Industries, Ministry of New and Renewable Energy, Department of Land Resources, Ministry of Rural Development, Ministry of Water Resources etc. Ministry of Panchayati Raj shall also be appropriately consulted for ensuring that local/Panchayat level requirements are adequately addressed in District Development Plans. Planning Commission and the Ministry of Agriculture will together examine the States' overall Plan proposals for Agriculture and allied sectors as part of the Annual Plan approval exercise.

14.0 Department of Agriculture and Cooperation, Ministry of Agriculture, Govt. of India may effect changes in the RKVY operational guidelines, other than those affecting the financing pattern as the scheme evolves, whenever such changes are considered necessary.

15.0 These guidelines are applicable to all the States and Union Territories.

Appendix-A

ILLUSTRATION

Computing Eligibility for Allocation of Funds under Rashtriya Krishi Vikas Yojana (RKVY)

1. Each state will become eligible to receive RKVY allocation, **if and only if:**

   a) The base line share of Agriculture and allied sectors in its total State Plan (excluding RKVY funds) expenditure is at least maintained.

   b) District Agriculture Plans and State Agriculture Plans have been formulated.

2. The base line level of expenditure will be the "minimum of the percentage expenditure incurred on agriculture and other identified related sectors during three years preceding to previous year".

3. For States to become eligible, "average percentage share of expenditure in agriculture and other identified related sectors during last three years" should be at least equal to base line level.

4. Let us consider the following example for State 'A': (Rs. in Crore)

Year	Expenditure in Agriculture & Allied sector (excluding RKVY funds)	Total Plan expenditure	% of total Plan Expenditure Incurred in Agriculture & Allied Sector
2009-10	492	10750	4.6
2010-11	709	11456	6.1
2011-12	605	13500	4.5
2012-13	1135	20000	5.7

5. Baseline percentage expenditure = Minimum percentage expenditure during preceding three (3) years (excluding RKVY funds) (2009-10, 10-11 & 11-12) = 4.5% (2011-12)

6. Average of last three years' share of expenditure in agriculture & allied sector (2012-13, 2011-12 & 2010-11): 16.3/3=5.43%

7. Since, average percentage share of last three years' expenditure (5.43%) is more than baseline percentage expenditure (4.5%); State is eligible for grant under the RKVY for 2013-14 provided it has also formulated District Agriculture Plans (DAPs) and State Agriculture Plan (SAP). Inter-State Allocation under RKVY for 2013-14 will be worked out by the Planning Commission using the parameters and weights indicated in Appendix-B of the Guidelines.

Appendix-B

Inter State Allocation of the funds under Rashtriya Krishi Vikas Yojana (RKVY)

1.0 Annual outlay under RKVY will depend upon the amount provided in State Budgets for Agriculture and allied sectors over and above the base line percentage expenditure incurred by the State Government on these sectors. Inter State allocation of RKVY funds will be based on the following parameters and weights:

Sl No	Criteria/Parameters	Weightage
1	Percentage share of net un irrigated area in a state to the net un irrigated area of all eligible States.	15%
2	Last three (3) years average area under oil seeds and pulses	5%
3	State's highest GSDP for agriculture and allied sectors for the past five years.	30%
4	Increase in expenditure in Agriculture and allied sectors in the previous year over the year prior to that year. (For example, previous year for allocating State's share for 2014-15 would be the year 2012-13 and the year prior to that would be 2011-12.	30%
5	Increase in Plan and non-plan expenditure made by the States from the State Budgets on Animal Husbandry, Fisheries, Agricultural Research & Education in the previous years over the year prior to that year.	10%
6	Inverse of Yield gap between state average yield and potential yields as indicated in the frontline demonstration data	10%

2.0 Ministry of Agriculture, in consultation with the Planning Commission, could modify above criteria/weights depending upon new parameters becoming relevant in future.

3.0 Some of the expenditure which should be excluded for the purpose of parameter concerning expenditure on agriculture and allied sector are:

(a) Expenditure on output subsidies such as that relating to food subsidy, subsidy for procurement of milk, bonus on procurement of food grains and other crops etc.;

(b) Expenditure on Civil Supplies and Public distribution system. However, expenditure on creation of storage and warehouse for agriculture purposes will be considered for the purpose of Parameter 4;

(c) Expenditure on interest subvention, electricity or diesel subsidy etc.;

(d) Direct income support to farmers, debt relief or other one time relief to farmers;

(e) Irrigation except as included in para-4 below.

4.0 Some expenditure which is directly related to the development of agriculture sector may be allowed in the expenditure on agriculture and allied sector for the purpose of parameter 4;

a) Expenditure on watershed development including State's share on Integrated Watershed Management Programme (IWMP);

b) Plan and non-plan expenditure on agriculture and allied sectors;

c) Plan expenditure on Minor Irrigation & Command Area Development; and

d) Expenditure incurred on agriculture and allied sectors out of the funds devolved for the decentralized district planning units or to the autonomous regional/sub-regional development councils set by the States such as Bodoland Territorial Council etc.

Appendix-C1

Areas of Focus under RKVY (Production Growth)

The components / activities which would be eligible for project based assistance under RKVY (Production Growth) are elaborated below. This is an illustrative list and the States may choose other components/activities, but ensure that they are reflected adequately in the SAP and the DAP.

a) **Integrated development of major food crops such as wheat, paddy, coarse cereals, minor millets, pulses, oilseeds:** Assistance can be provided for making available certified/HYV seeds to farmers; production of breeder seed; purchase of breeder seed from institutions such as ICAR, public sector seed corporations, production of foundation seed; production of certified seed; seed treatment; Farmers Field Schools at demonstration sites; training of farmers etc. Similar support would be provided for development of other crops such as sugarcane, cotton or any other crop/variety that may be of importance to the state.

b) **Agriculture mechanization:** Assistance can be provided to individual beneficiaries for farm mechanization efforts especially for improved and gender friendly tools, implements and machinery. However, assistance for large equipment e.g. tractor, combine harvester, sugarcane harvester, cotton picker etc. for which individual ownership may not be economically viable, assistance should only be limited for establishing custom hiring centres under RKVY (Infrastructure & Assets) stream.

c) **Activities related to enhancement of soil health:** Assistance can be provided to the farmers for distributing soil health cards; micro nutrient demonstration; training of farmers for promotion of organic farming including printing of publicity/utility literature; amelioration of soils affected with conditions such as alkalinity and acidity.

d) **Development of rainfed farming systems in and outside watershed areas:** Assistance for promoting integrated farming system (agriculture, horticulture, livestock, fisheries etc.) generating livelihoods for farmers Below the Poverty Line (BPL).

e) **Integrated Pest Management schemes:** This would include training of farmers through Farm Field Schools etc. on pest management practices; printing of literature/ other awareness programmes.

f) **Promoting Extension Services:** This would include new initiatives for skill development and training in the farming community and to revamp the existing State agricultural extension systems.

g) **Activities relating to enhancement of horticultural production:** Assistance will be available for nursery development and other horticulture activities.

h) **Animal husbandry and fisheries development activities:** Assistance will be available for improvement in fodder production, genetic up-gradation of cattle and buffaloes, enhancement of milk production, enlarging raw material base for leather industry, improvement in livestock health, poultry development, development of small ruminants and enhanced fish production.

i) **Study tours of farmers:** Study tours of farmers within the country especially to research institutions, Model farms etc.

j) **Organic and bio-fertilizers:** Support for decentralized production at the village level and their marketing, etc. This will include vermicomposting and introduction of superior technologies for better production.

k) **Sericulture:** Sericulture upto the stage of cocoon production alongwith extension system for cocoon and silk yarn production and marketing.

The above list is not exhaustive. Therefore, schemes that are important for agriculture, horticulture and allied sector development, but cannot be categorized under (a) to (k) can also be proposed under this stream.

However, projects for creation/strengthening of infrastructure & assets should be funded under RKVY (Infrastructure & assets) stream.

Appendix-C2

Illustrative List of Projects that can be funded under RKVY(Infrastructure & Assets) Stream

Sl. No	SECTOR	DESCRIPTION OF INFRASTRUCTURE
1.	Horticulture	Nurseries Tissue Culture Labs Community tanks/Farm ponds/on farm water resources with plastic/RCC lining Green House/ Poly house/Shade net House structures Sanitary and phytosanitary infrastructure INM/IPM infrastructure such as Disease Forecasting Units, Plant Health Clinics, Leaf/Tissue Analysis labs, Bio-control labarotaries Vermi compost units Controlled atmosphere storage Cold storage/pre cooling/refrigerated van, cold chain infrastructure Ripening/Curing chamber Primary/minimal processing units Terminal/wholesale/Rural market Functional infrastructure for collection, sorting, grading etc. Infrastructure related to Horticulture produce processing as per Ministry of Food Processing Industries (MoFPI) guidelines.
2.	Natural Resources Management	Soil & Water conservation activities (Terracing, Gully Control Measures, Spill Ways, Check Dams, Spurs, Diversion Drains, Protection Walls etc.) Reclamation of problem Soils (Acid/Alkali/Saline/Ravine/Water logged).
3.	Pest Management & Pesticide quality control	Labs for production of bio-control agents State Pesticide Residue Testing Labs State Pesticide Testing Labs Bio-Pesticide Testing Labs Seed Treatment drums & chemicals
4.	Soil Nutrient Management	Setting up of new soil testing laboratories. Strengthening of existing soil test laboratories with micro-nutrient testing facilities.
	Fertilizers	Setting up of new Fertilizer Quality Control Laboratories (FQCLs). Strengthening of existing FQCLs.
	Bio Fertilizers /Organic Farming	Bio fertilizer Production Units. Fruit/Vegetables waste, compost production units.
5.	Animal Husbandry	Semen collection and Artificial Insemination(AI) Units/Production Center Breeding farms Dispensaries/Hospitals for treatment of Animals Vaccine Production Unit Diagnosis Labs, including Mobile Units

Sl. No	SECTOR	DESCRIPTION OF INFRASTRUCTURE
	Dairy	Animal Ambulance Cold Chain for storing and transportation of frozen Semen Tractor fitted with Fodder Block Machine Carcass rendering Plant to collect the fallen animals for processing/utilization in scientific manner Modernization of animal slaughter houses* and markets for livestock /livestock products Milk Collection Centers and Infrastructure : Purchase of milking machines (single/double bucket) Setting up of milk chilling/bulk milk cooling centres (BMC) alongwith automatic milk collection units (AMC) Setting up/modernization/strengthening of milk processing units Strengthening /expansion of cold storage facility for milk and milk product Purchase of insulated/refrigerated transport vehicles Setting up of milk parlor/milk booth Strengthening of lab facility in milk chilling/milk processing unit Establishment of cattle feed storage godown Establishment/strengthening of cattle feed plant Establishment of cattle shed for milch animals Setting /strengthening of ETP at milk chilling/milk processing unit
	Fisheries	Fish Ponds/Reservoirs Fish seed Hatcheries Marketing infrastructure Mobile Transport/Refrigerated vans Cold Storage & Ice Plants
6.	Marketing and Post-Harvest	Fruits & Vegetable Markets/Distribution Centres Market Infrastructural Facilities, including Agricultural Produce Market Committees (APMC) Construction of Specialized Storage Facilities like Onion Storage Godowns Electronic Trading including Spot and Futures Markets and E-auctioning Farmers Service Centres Food Grain Procurement Centres E-Kisan Bhawans / Internet Kiosks Grading including grading line Quality Control Packing
7.	Seeds	Seed Testing Labs Seed Processing Facilities Seed Storage Godowns including Dehumidified Refrigerated Seed Storage Godowns Seed Certification Agencies and Certification Infrastructure Seed Multiplication Farms

Sl. No	SECTOR	DESCRIPTION OF INFRASTRUCTURE
8.	Agriculture Mechanization	Custom Hiring Centers for Agricultural Equipment Agriculture Machines Testing Centers
9.	Agricultural Extension	Kisan Call Centres ATMA Infrastructure Knowledge / Technology Resource Centres
10.	Agriculture Research	Research Infrastructure Strengthening of Krishi Vigyan Kendras (KVKs)
11.	Minor / Micro Irrigation	Shallow Wells & Dug Wells Tube Wells (except in dark/grey /critical zone identified by Central Ground Water Board) Percolation & Minor Irrigation Tanks Farm Ponds Drip & Sprinkler Irrigation System Field Channels Piped Water Conveyance System

* Extant norms of Ministry of Food Processing Industries, Govt. of India / Dept. of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, Govt. of India will apply.

Note:

1. Food processing units, especially those industries which get assistance under various schemes of the MoFPI, should not be eligible for assistance under RKVY.

2. State specific research projects through SAUs/ICARs in any area of agriculture and allied sectors may be undertaken under Production Growth stream only.

3. Infrastructure and Assets stream emphasizes promoting group approach for subsidies. Accordingly, level of subsidies in the case of unspecified projects should be kept to the minimum for higher coverage of beneficiaries/ areas.

4. State should form of stakeholders' groups/Farmer Producer Organizations (FPO) and involve them in planning, execution and future maintenance of the created assets.

Appendix-D

Illustrative List of Projects that should not be funded under RKVY

1. Creation/topping up of any kind of revolving fund / corpus fund ;

2. Expenditure towards maintenance of assets or any such recurring expenses;

3. Expenses towards Salary, Transport, Travelling Allowances (TA), Daily Allowances (DA) of permanent / semi-permanent employees. However, expenses towards hiring of manpower on outsourcing/contractual basis can be met within 1% allocation earmarked for administrative expenses with approval of SLSC.

4. Expenses towards POL (Petrol, Oil, Lubricants);

5. Financing State's share and/or topping up subsidy level in respect with other Central/State Schemes;

6. Foreign Visits/Tours including study tours of farmers abroad;

7. Purchase of vehicles;

8. Financing any kind of debt waiver, interest subvention, payment of insurance premium, compensation to farmers and calamity relief expenditure; additional bonus over & above Minimum Support Price (MSP);

9. Creating/Strengthening assets in Private Sector/NGO's beyond what is permissible under any schemes/programmes of Govt. of India.

Appendix-E

Composition of State Level Sanctioning Committee (SLSC)

Chief Secretary	-	Chairman
Agri. Prod. Commissioner /Principal Secretary (Agriculture)	-	Vice-Chairman
Secretary, Finance	-	Member
Secretary, Planning	-	Member
Secretary, Fisheries	-	Member
Secretary, Animal Husbandry	-	Member
Secretary, Environment and Forests	-	Member
Secretary, Panchayati Raj	-	Member
Secretary, Rural Development	-	Member
Secretary, Water Resources/Irrigation/Minor Irrigation	-	Member
Director, Agriculture	-	Member
Director, Horticulture	-	Member
Director, Animal Husbandry	-	Member
Director, Fisheries	-	Member
Representative of Department of Agriculture & Cooperation, Govt. of India (Officer not below the rank of Joint Secretary)	-	Member
Representatives of Departments of Animal Husbandry, Dairying & Fisheries, Govt. of India (Officer not below the rank of Joint Secretary)	-	Member
Representative of State Agriculture University	-	Member
Representative of Planning Commission	-	Member
Secretary, Agriculture	-	Member-Secretary

Note:

1. SLSC may co-opt two more members from Agricultural Research Organizations, reputed NGOs working in the field of Agriculture, Deputy Commissioners of important districts, and leading farmers.

2. The quorum for the SLSC meeting would not be complete without the presence of at least one representative from the Government of India.

Appendix-F

Form of Utilization Certificate

Sl. No.	Letter No. and date	Amount
	Total	

Certified that out of Rs. __________ of grants-in-aid sanctioned during the year_______ in favour of ___________under this Ministry/Department Letter No. given in the margin and Rs._____________on account of unspent balance of the previous year, a sum of Rs._____________ has been utilized for the purpose of____________ for which it was sanctioned and that the balance of Rs.___________remaining unutilized at the end of the year has been surrendered to Government (vide no. ________________. dated ________________) / will be adjusted towards the grants-in-aid payable during the next year _________________.

2. The Utilization Certificate should also disclose whether the specified, quantified and qualitative targets that should have been reached against the amount utilized, were in fact reached, and it not; the reasons thereof. They should contain an ouput-based performance assessment instead of input-based performance assessment.

3. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1.
2.
3.
4.
5.

Signature __________________

Designation ________________

Date ______________________

Appendix-G

Recommended activity mapping for effective devolution of funds, functions and functionaries to Panchayati Raj Institutions (PRIs)

RKVY FUNCTIONS MAP

Sl. No.	ACTIVITY DESCRIPTION		State Government	District Planning Committee (DPC)	LOCAL GOVERNMENTS AND PLANNING BODIES			User groups. SHGs. Etc.
					Panchayati Raj System/Institutions			
	Activity Category	Union Government			District Panchayat	Intermediate Panchayat	Village Panchayat	
1.	Setting Standards	**DAC**- Issue of guidelines for implementation of RKVY in the States	Issue/translation of guidelines in local language.					
2.	Planning	**DAC & Planning Commission:** To provide framework for preparation of SAP.	Preparation of SAP by integrating the District Agriculture Plans (DAPs)	Will be associated in the formulation of DAP taking into account location specific agro-climatic conditions, natural resources etc.	Districts Agriculture Planning Unit (DAPU) may be actively associated in formulation of Comprehensive District Agriculture Plans	Block/Taluka Agriculture Planning Unit (BAPU/TAPU) may be associated in providing inputs for DAP.	Village Agriculture Planning Unit (VAPU) may be associated in identifying clusters/selection of beneficiaries.	
3.	Implementation of Projects (Crop, Development Horticulture, Micro Mini irrigation, Animal Husbandry, Sericulture etc. as per sectors taken up by each State)	**DAC-** Release of funds to State	Release of funds to implementing Departments/ Agencies.	Prioritise projects based on availability of funds	Will be associated in selection of site/ location of projects in consultation with implementing agencies.	Will be associated in selection of locations/villages for implementation of projects.	Will be associated in selection of beneficiaries based on cluster approach (however, there should not be any repeat beneficiary year after year in RKVY).	Priority should be given to SC/ST, Women and weaker section of the society.

4.	Monitoring & Evaluation of Projects	Impact Evaluation	Concurrent Evaluation	Supervise Implementation	Quarterly review meetings for monitoring progress of RKVY projects in district, providing feedback for policy formulation and planning.	Monitoring progress of RKVY interventions and providing feedback for DAPs.	Social audit shall be done at Gram Sabha level	

DAC- Dept. of Agriculture & Cooperation, Min. of Agriculture, Govt. of India, DAP-District Agriculture Plan, SHG-Self Help Groups, SAP-State Agriculture Plan

RKVY FINANCE MAP

<table>
<tr><th rowspan="3">Sl. No.</th><th rowspan="3">Scheme sub-component/funding stream</th><th rowspan="3">Allocation (Rs. Cr.)</th><th rowspan="3">Percentage</th><th colspan="6">Level to which mapped, based on activity mapping of function (% of allocation)</th><th rowspan="3">Remarks</th></tr>
<tr><td rowspan="2">Centre</td><td rowspan="2">State</td><td colspan="3">Local government</td><td rowspan="2">User group/civil society</td></tr>
<tr><td>District Panchayat</td><td>Intermediate Panchayat</td><td>Village Panchayat</td></tr>
<tr><td colspan="11">Sectoral and district-wise allocation of projects/funds under RKVY shall be done by the States. State may devolve funds to Panchayat bodies as per projects allotted for implementation.</td></tr>
</table>

सत्यमेव जयते

RKVY DIVISION

Department of Agriculture & Cooperation
Ministry of Agriculture
Government of India

Krishi Bhawan, New Delhi
www.rkvy.nic.in

F. No 9-1/2013-RKVY
Government of India
Ministry of Agriculture
Department of Agriculture & Cooperation
(RKVY Cell)

Krishi Bhawan, New Delhi
Dated the 11th December, 2014

To

Principal Secretary (Agriculture)/ Agriculture Production Commissioner/Secretary (Agriculture)
(All States/ UTs/ As per list)

Subject: Revised guidelines for implementation of Rashtriya Krishi Vikas Yojana (RKVY) during XII Five Year Plan- reg.

Sir,

I am directed to refer to para 4.1 of revised RKVY operational Guidelines (2014) which stipulate that RKVY funds would be provided to the States as 100% grant by the Central Government in following streams.

(a) RKVY (Production Growth) with **35%** of annual outlay,
(b) RKVY (Infrastructure and Assets) with **35%** of annual outlay;
(c) RKVY (Special Schemes) with **20%** of annual outlay; and
(d) RKVY (Flexi Fund) with **10%** of annual outlay (States can undertake either Production Growth or Infrastructure & Assets projects with this allocation depending upon State specific needs/priorities).

Aforesaid distribution is applicable at Central level, out of which outlays for Special schemes are held back by this Department for allocating among Programmes of National priorities e.g. BGREI, VIUC, NMPS etc.

States are provided with allocations under **RKVY (Normal) category** comprising of **Production Growth, Infrastructure & Assets and Flexi Fund streams**.

Out of total allocations available to States under **RKVY (Normal) category** *(excluding allocation under Special Schemes)*, percentage shares of Production Growth, Infrastructure & Assets and Flexi Funds are **43.75%, 43.75% and 12.5%** respectively. Out of these, as per RKVY guidelines, States can allocate a maximum of **56.25%** (43.75%+12.5%-flexi fund) to either Production Growth or Infrastructure & Assets streams. On the other hand, a **minimum allocation** **43.75% is stipulated** for both these streams.

On the basis of requests received from State Governments and to bring more flexibility in implementation of RKVY and to further boost creation of agriculture infrastructure & assets, it has now been decided that to **waive off the requirement of minimum allocation of RKVY fund (*35% at Central Level or 43.75% at State Level*) to "Production Growth Stream".**

Accordingly, States will be able to allocate beyond 56.25% of their RKVY Normal allocation to Infrastructure & Assets stream. However, minimum stipulated allocation of RKVY fund to 'Infrastructure & Asset stream' (*35% at Central Level or 43.75% at State Level*) shall continue, which means that States have to allocate at least 43.75% of their RKVY (Normal) to this stream. As an illustration, following table may be referred to:

Scenario	Infrastructure & Assets (% allocation)	Production Growth (% allocation)	Total RKVY Normal (excluding Special Scheme) allocation at State Level
1	43.75%	56.25%	100%
2	50%	50%	100%
3	60%	40%	100%
4	80%	20%	100%
5	100%	0%	100%
6	25%	75%	Not allowed. Min. stipulation in Infrastructure is not met.

Yours faithfully,

Vinaya Kumar

(V.K Srivastava)
Under Secretary to the Government of India
Ph. No.011- 23383990

Copy to:

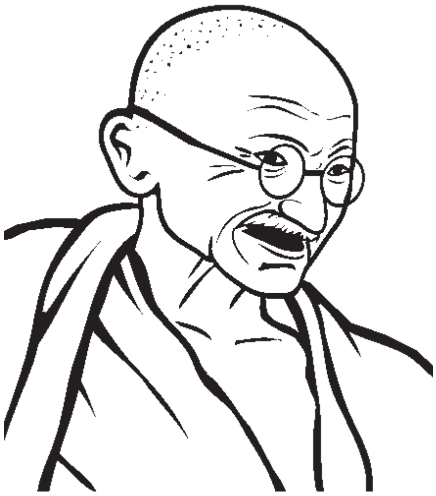
Director (Agriculture) of All States/UTs

Joint Secretary (Coordination), Dept. of Animal Husbandry, Dairying & Fisheries, Krishi Bhawan, New Delhi/ All Joint Secretaries of DAC.

NATIONAL RURAL LIVELIHOODS MISSION

Framework for Implementation

MINISTRY OF RURAL DEVELOPMENT
GOVERNMENT OF INDIA



Recall the face of the poorest and the weakest man(woman) whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to him(her). Will he (she) gain anything by it? Will it restore him (her) to a control over his (her) own life and destiny? In other words, will it lead to swaraj (freedom) for the hungry and spiritually starving millions?

Contents

Preface

The programmes of Ministry of Rural Development's (MoRD), Government of India that directly target poor families for creation of assets and self employment started with Integrated Rural Development Programme (IRDP) in the year 1980. A major reform took place in 1999, when IRDP was transformed into Swarnjayanti Gram Swarozgar Yojana (SGSY). Self-employment through organizing poor into Self Help Groups (SHGs) became the cornerstone of the new strategy. In the states, there is now widespread acceptance of the need for poor to be organized into SHGs, as a pre-requisite for their poverty reduction. 2.5 Crore rural BPL households have been organized and brought into SHG network.

A systematic review of SGSY has brought into focus certain shortcomings like vast regional variations in mobilization of rural poor; insufficient capacity building of beneficiaries; insufficient investments for building community institutions; and weak linkages with banks leading to low credit mobilization and low repeat financing. Several states have not been able to fully utilize the funds received under SGSY. Absence of aggregate institutions of the poor, such as the SHG federations, precluded the poor from accessing higher order support services for productivity enhancement, marketing linkage, risk management, etc. Several evaluation studies have shown that SGSY scheme has been relatively successful in alleviating rural poverty wherever systematic mobilization of the poor into SHGs and their capacity building and skill development has been taken up in a process-intensive manner. In other places, the impact has not been that significant.

The magnitude of the unfinished task is enormous. Out of the estimated 7.0 crore rural BPL households (2010 projections of BPL households), 4.5 Crore households still need to be organized into SHGs. Even the existing SHGs need further strengthening and greater financial support. It was in this background, Government has approved the restructuring the SGSY as the National Rural Livelihoods Mission (NRLM), to be implemented in a mission mode across the country.

NRLM's mandate is to reach out to all the poor families, link them to sustainable livelihoods opportunities and nurture them till they come out of poverty and enjoy a decent quality of life. Towards this, NRLM puts in place a dedicated and sensitive support structures at various levels. These structures work towards unleashing the innate potential of the poor and complement it with capacities to: deal with external environment, enable access to finance and other resources, and with their own institutions at different level. The institutions play the roles of initiating the processes of organizing them in the beginning, providing the livelihoods services and sustaining the livelihoods outcomes subsequently. The support structures need to work with the unemployed rural poor youth for skilling them and providing employment either in jobs, mostly in high growth sectors, or in remunerative self-employment and micro-enterprises.

The Institutions of the poor – SHGs, their federations and livelihoods collectives - provide the poor the platforms for collective action based on self-help and mutual cooperation. They become a strong demand system on behalf of the poor. They build linkages with mainstream institutions, including banks, and Government departments to address their livelihoods issues and other dimensions of poverty. These institutions provide savings, credit and other financial services to meet their priority needs, including consumption needs, debt redemption, food and health security and livelihoods. They augment knowledge, skills, tools, assets, infrastructure, own funds and other resources for the members. They increase incomes, reduce expenditures, increase gainful employment and reduce risks for their members. They also increase their voice, space, bargaining power and change of policies in favor of their members.

Mobilizing the poor into their institutions needs to be induced by external sensitive support structure. Government agencies, NGOs and civil society organizations, local self governments, banks and corporate sector can play this role. With time, as the institutions <u>of</u> poor grow and mature, they become the internal sensitive support structures and institutions <u>for</u> the poor. Their successful members and empowered leaders take charge of and accelerate many of these processes. Thus, the programme <u>for</u> the poor becomes the programme <u>by</u> the poor and of the poor. Poverty is complex and multidimensional, and therefore, the institutions of poor engage in many sectors and service providers. Their ability and effectiveness improves with time. However, after the initial learning curve, the progress picks up speed with quality.

Based on MoRD's extensive consultations with various stakeholders including the State Governments, Civil Society Organizations, Bankers and academicians, NRLM Framework for Implementation has been developed. NRLM is a learning mission and learns from all the best practices of poverty eradication and failures in the country. Like NRLM, its Framework for Implementation is a learning, live and dynamic framework. This NRLM framework offers space for local plans based on local context and offers space for learning from the experiences in the field as the implementation progresses.

This Framework should be seen in two parts - the 'hard' part and the 'soft' part. The 'hard' part includes the funding norms and ceilings for funding of different components and inter se allocation among the states. The 'soft' part includes all the other processes outlined herein. These are indicative but not binding. These are based on the learning from large scale best practices in the country at present. Each state should develop its own Operational Guidelines . Thematic and issue-based National Operational Manuals would also be made available as the implementation progresses.

NRLM endeavours, through its dedicated sensitive support structures and organizations at various levels, to reach out to all the rural poor households, and take them out of poverty through building their capacities, financial muscle and access, and self-managed self-reliant institutions; through placement in jobs, and/or nurturing them into remunerative self-employment and enterprises. The institutions of the poor gradually take charge of supporting their members being in control of their livelihoods, lives and destiny.

Overview

The core belief of National Rural Livelihoods Mission (NRLM) is that the poor have **a strong desire and innate capabilities to come out of poverty.** They are entrepreneurial. The challenge is to unleash their innate capabilities to generate meaningful livelihoods, which enable them to come out of poverty. The first step in this process is motivating them to form their own institutions. Their true potential is realized when they are provided sufficient capacities to manage the external environment and easy access to finance, and are enabled to expand their skills and assets and convert them into meaningful livelihoods. This requires continuous handholding support by their institutions. An external dedicated, sensitive support structure, from the national level to the sub-district level, is required to induce such social mobilization, institution building and livelihoods promotion.

Strong institutional platforms of the poor empower the poor households and enable them to build-up their own human, social, financial and other resources. They, in turn, enable them to access their rights, entitlements and livelihoods opportunities, including services (both from the public and private sector). The social mobilization process enhances solidarity, voice and bargaining power of the poor. These processes enable them to **pursue viable livelihoods** based on leveraging their own resources, skills and preferences. Thus, they come out of abject poverty and do not fall back into poverty.

NRLM also believes that the programme can be up scaled in a time bound manner, only if it is driven by the **poor themselves**.

Mission, Principles, Values

NRLM Mission

"To reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots institutions of the poor."

NRLM Guiding Principles

- Poor have a strong desire to come out of poverty, and they have innate capabilities to do so.
- Social mobilization and building strong institutions of the poor is critical for unleashing the innate capabilities of the poor.
- An external dedicated and sensitive support structure is required to induce the social mobilization, institution building and empowerment process.
- Facilitating knowledge dissemination, skill building, access to credit, access to marketing, and access to other livelihoods services underpins this upward mobility.

NRLM Values

The core values which will guide all the activities under NRLM are as follows:

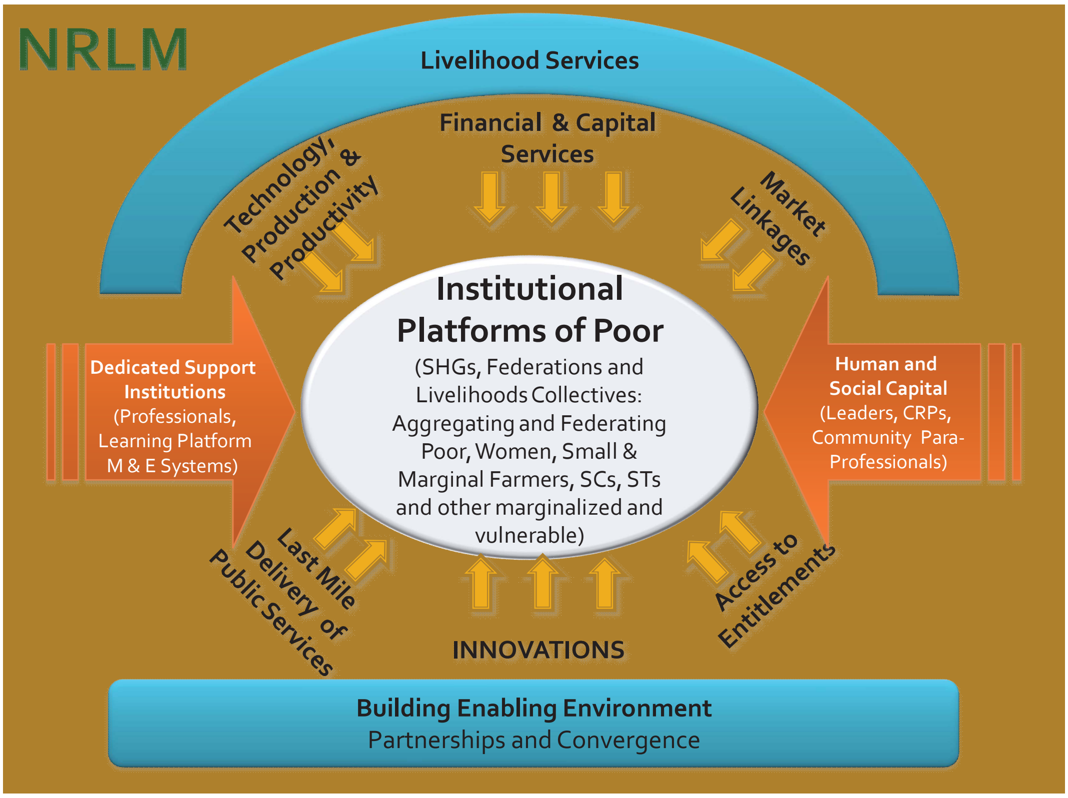
- Inclusion of the poorest, and meaningful role to the poorest in all the processes
- Transparency and accountability of all processes and institutions

- Ownership and key role of the poor and their institutions in all stages – planning, implementation, and monitoring
- Community self-reliance and self-dependence

Approach

Towards building, supporting and sustaining livelihoods of the poor, NRLM harnesses the innate capabilities of the poor, complements them with capacities (information, knowledge, skills, tools, finance and collectivization) to deal with the rapidly changing external world. Being conscious of the livelihoods activities being varied, **NRLM works on three pillars – enhancing and expanding existing livelihoods options of the poor; building skills for the job market outside; and nurturing self-employed and entrepreneurs** (for micro-enterprises).

Dedicated support structures build and strengthen the institutional platforms of the poor. These platforms, with the support of their built-up human and social capital, offer a variety of livelihoods services to their members across the value-chains of key products and services of the poor. These services include financial and capital services, production and productivity enhancement services, technology, knowledge, skills and inputs, market linkages etc. These platforms also offer space for convergence and partnerships with a variety of stakeholders, by building an enabling environment for poor to access their rights and entitlements, public services and innovations. The aggregation of the poor, through their institutions, reduces transaction costs to the individual members, makes their livelihoods more viable and accelerates their journey out of poverty.



The interested rural BPL youth would be offered skill development after counseling and matching the aptitude with the job requirements, and placed in jobs that are remunerative. Self-employed and entrepreneurial oriented poor would be provided skills and financial linkages and nurtured to establish and grow with micro-enterprises for products and services in demand.

NRLM implementation is in a Mission Mode. This enables (a) shift from the present allocation based strategy to a **demand driven strategy** enabling the states to formulate their own livelihoods-based poverty reduction action plans, (b) focus on targets, outcomes and time bound delivery, (c) continuous capacity building, imparting requisite skills and creating linkages with livelihoods opportunities for the poor, including those emerging in the organized sector, and (d) monitoring against targets of poverty outcomes. As NRLM follows a demand driven strategy, the States have the **flexibility to develop their livelihoods-based perspective plans and annual action plans for poverty reduction**. The overall plans would be within the allocation for the state based on inter-se poverty ratios. In due course of time, as the institutions of the poor emerge and mature, they would drive the agenda through bottom-up planning processes.

Key Features of NRLM

Social Inclusion and Institutions of the Poor

1. Universal Social Mobilization: To begin with, NRLM would ensure that at least one member from each identified rural poor household, preferably a woman, is brought under the Self Help Group (SHG) network in a time bound manner. Subsequently, both women and men would be organized for addressing livelihoods issues i.e. farmers organizations, milk producers' cooperatives, weavers associations, etc. All these institutions are inclusive and no poor would be left out of them. NRLM would ensure adequate coverage of vulnerable sections of the society such that 50% of the beneficiaries are SC/STs, 15% are minorities and 3% are persons with disability, while keeping in view the ultimate target of 100% coverage of BPL families.

2. Promotion of Institutions of the poor: Strong institutions of the poor such as SHGs and their village level and higher level federations are necessary to provide space, voice and resources for the poor and for reducing their dependence on external agencies. They empower them and also act as instruments of knowledge and technology dissemination, and hubs of production, collectivization and commerce. NRLM, therefore, would focus on setting up these institutions at various levels.

In addition, NRLM would promote specialized institutions like Livelihoods collectives, producers' cooperatives/companies for livelihoods promotion through deriving economies of scale, backward and forward linkages, and access to information, credit, technology, markets etc. The Livelihoods collectives would enable the poor to optimize their limited resources.

There are existing institutions of the poor women formed by Government efforts and efforts of NGOs. NRLM would strengthen all existing institutions of the poor in a partnership mode. The self-help promoting institutions both in the Government and in the NGO sector would be supported. Further, existing institutions and their leaders and staff would support the processes of forming and nurturing new institutions.

3. Training, Capacity building and skill building: NRLM would ensure that the poor are provided with the requisite skills for: managing their institutions, linking up with markets, managing their existing livelihoods, enhancing their credit absorption capacity and credit worthiness, etc. A multi-pronged approach is envisaged for continuous capacity building of the targeted families, SHGs, their federations, government functionaries, bankers, NGOs and other key stakeholders. Particular focus would be on developing and engaging community professionals and community resource persons for capacity building of SHGs and their federations and other collectives. NRLM would make extensive use of ICT to make knowledge dissemination and capacity building more effective.

4. Revolving Fund and Capital Subsidy: Subsidy would be available in the form of revolving fund and capital subsidy. The Revolving Fund would be provided to the SHGs (where more than 70% members are from BPL households) as an incentive to inculcate the habit of thrift and accumulate their own funds towards meeting their credit needs in the long-run and immediate consumption needs in the short-run. Subsidy would be a corpus and used for meeting the members' credit needs directly and as catalytic capital for leveraging repeat bank finance. Capital Subsidy fund would be given directly to the SHGs or would be routed to the SHGs through the federations, wherever the SHGs desire such an arrangement.The key to coming out of poverty is continuous and easy access to finance, at reasonable rates, till they accumulate their own funds in large measure.

5. Universal Financial Inclusion: NRLM would work towards achieving universal financial inclusion, beyond basic banking services to all the poor households, SHGs and their federations. NRLM would work on both demand and supply side of Financial Inclusion. On the demand side, it would promote financial literacy among the poor and provides catalytic capital to the SHGs and their federations. On the supply side, it would coordinate with the financial sector and encourage use of Information, Communication & Technology (ICT) based financial technologies, business correspondents and community facilitators like 'Bank Mitras'. It would also work towards universal coverage of rural poor against loss of life, health and assets. Further, it would work on remittances, especially in areas where migration is endemic.

6. Provision of Interest Subsidy: The rural poor need credit at low rate of interest and in multiple doses to make their ventures economically viable. In order to ensure affordable credit, NRLM has a provision for subsidy on interest rate above 7% per annum for all eligible SHGs, who have availed loans from mainstream financial institutions, based on prompt loan repayment (This would not be applicable when a SHG avails capital subsidy. Interest subsidy would be provided to this SHG, when they avail a fresh loan after repaying the capital subsidy linked loan). This subsidy would be available to SHGs, where at least 70% of the members are from BPL households, till a member accesses credit, through repeat cumulative loaning, up to Rs 1.00 lakh per household.

7. Livelihoods: Poor have **multiple livelihoods** as a coping mechanism for survival. Their existing major livelihoods are: wage labour, small and marginal holding cultivation, cattle rearing, forest produce, fishing, and traditional non-farm occupations. The net incomes and employment days from the current livelihoods are not adequate to meet their expenditures. NRLM would look at the entire portfolio of livelihoods of each poor household, and work towards stabilizing and enhancing the existing livelihoods and subsequently diversifying their livelihoods.

8. Infrastructure creation and Marketing support: NRLM would seek to ensure that the infrastructure needs for the major livelihoods activities of the poor are met with. It would also provide support for marketing to the institutions of the poor. The range of activities in marketing support includes market research, market intelligence, technology extension, developing backward and forward linkages, building livelihoods collectives and supporting their business plans. NRLM would encourage and support partnerships with public and private organizations and their networks/associations for these activities, particularly for market linkages. Rural Haats would also be encouraged to directly link producer groups (SHGs) and individual producers with urban and peri-urban markets through a well developed system of continuous identification and rotation of beneficiaries. 20% of the state's programme outlay (25% in case of North-Eastern States and Sikkim) is reserved for this purpose.

9. Skills and Placement Projects: NRLM would scale up the existing skill and Placement projects through partnership mode as one of the best investments in youth, and provide impetus to livelihoods opportunities in emerging markets. For strengthening this, various models of partnerships with public, private, non-government and community organizations would be developed. A strong relationship would also be developed with industry associations and sector specific employers' associations. National Skill Development Corporation (NSDC) would be one of the leading partners in this effort. 15% of the central allocation under NRLM is earmarked for this purpose.

10. Rural Self Employment Training Institutes (RSETIs)

NRLM encourages public sector banks to set up RSETIs in all districts of the country. RSETIs transform unemployed rural youth in the district into confident self-employed entrepreneurs through need-based experiential learning programme followed by systematic handholding support. Banks are completely involved in selection, training and post training follow-up stages. RSETIs partner with others, including the institutions of the poor, to realize their mandate and agenda.

11. Innovations: NRLM believes that successful innovations can reduce the learning curve for poverty eradication by showing a different pathway out of poverty. 5% of the Central allocation is therefore, earmarked for innovations. Those innovations, which have the potential for reaching out specifically to the poorest or for reaching out to the largest number of poor and having maximum impact with limited resources, would be preferred and supported.

Convergence and partnerships

11. Convergence: NRLM would place a very high emphasis on convergence with other programmes of the Ministry of Rural Development and other Central Ministries and programmes of state governments for developing synergies directly and through the institutions of the poor.

12. Partnerships with NGOs and other CSOs: NRLM would proactively seek partnerships with Non-Government Organizations (NGOs) and other Civil Society Organizations (CSOs), at two levels - strategic and implementation. The partnerships would be guided by NRLM's core beliefs and values, and mutual agreement on processes and outcomes. NRLM would develop a national framework for partnerships with NGOs and other CSOs. Further, NRLM would seek partnerships with various other stakeholders at various levels directly or through the institutions of the poor.

13. Linkages with PRIs: In view of the eminent roles of Panchayat Raj Institutions (PRIs) that include governance, commercial and political, it is necessary to consciously structure and facilitate a mutually beneficial working relationship between Panchayats and institutions of the poor, particularly at the level of Village Panchayats. Formal platforms would be established for regular consultations between such institutions and PRIs for exchange of mutual advice, support and sharing of resources. However, care would be taken to protect their autonomy. Where there are no PRIs, the linkages would be with traditional local village institutions.

14. Sensitive Support Structures: NRLM's process-intensive effort would require dedicated human resources. Realizing this, NRLM would be setting up sensitive and dedicated support structures at the **National, State, district and sub-district levels.** NRLM Advisory, Coordination and Empowered Committees and National Mission Management Unit at the national level, State Rural Livelihoods Missions (SRLMs) as autonomous bodies and State Mission Management Units at state level, District Mission Management Units at district level, and sub-district units at block and/or cluster levels would constitute these support structures. The institutions of the poor, their staff and other social capital would also provide the support. These structures would have suitable linkages with Government(s), District Rural Development Agencies (DRDAs), and PRIs. The governance of DRDAs would be revitalized with representatives of institutions of the poor and professionalised so that they respond better to meeting the needs of the poor. These support structures would be staffed with professionally competent and dedicated human resources through appropriate arrangements including partnerships and outsourcing of services.

15. Technical Support: NRLM would provide technical assistance to the States and all other partners for creating and strengthening their institutional capacities for its effective implementation. It would build national knowledge management and learning forums/ systems. It would facilitate partnerships between institutions of the poor and banking sectors, public and private sectors, for ensuring last mile service delivery to reach the poor. It would build a national pool of experts, practitioners and advisers in all the relevant disciplines including social mobilization, institution building, microfinance, livelihoods, skill development, entrepreneurship etc. They would provide handholding support to SRLMs for developing and executing state poverty reduction strategies.

16. Monitoring and Learning: NRLM would monitor its **results**, processes and activities through web-enabled comprehensive MIS, regular meetings of the Performance Review Committee(s), visits by senior colleagues, Local, District, State and National Monitoring Groups and the mechanisms of Review and Planning Missions. Process monitoring studies, thematic studies and impact evaluations would provide inputs to the above. It would also promote social accountability practices to introduce greater transparency. This would be in addition to the mechanisms that would be evolved by SRLMs and state governments. The learning from one another underpins the key processes of learning in NRLM.

17. Funding Pattern: NRLM is a Centrally Sponsored Scheme and the financing of the programme would be shared between the Centre and the States in the ratio of 75:25 (90:10 in case of North Eastern States including Sikkim; completely from the Centre in case of UTs). The Central allocation earmarked for the States would broadly be distributed in relation to the incidence of poverty in the States.

18. Phased Implementation: Social capital of the poor consists of the institutions of the poor, their leaders, community professionals and more importantly community resource persons (poor women whose lives have been transformed through the support of their institutions). Building up social capital takes some time in the initial years, but it multiplies rapidly after some time. If the social capital of the poor does not play the lead role in NRLM, then it would not be a people's programme. Further, it is important to ensure that the quality and effectiveness of the interventions is not diluted. Therefore, a phased implementation approach is adopted in NRLM. NRLM would reach all districts and blocks by the end of 12^{th} Five-year Plan.

The blocks that are taken up for implementation of NRLM, 'intensive blocks', would have access to a full complement of trained professional staff and cover a whole range of activities of universal and intense social and financial inclusion, livelihoods, partnerships etc. However, in the remaining blocks or non-intensive blocks, the activities may be limited in scope and intensity. The outlays in these blocks would be limited to the State average allotment for these blocks under SGSY.

19. Transition to NRLM

All States/UTs would have to transit to NRLM within a period of one year from the date of formal launch of NRLM. Further funding under SGSY ceases thereafter.

20. Agenda before NRLM

NRLM has set out with an agenda to reach out, mobilize and support 7.0 Crore BPL households across 600 districts, 6000 blocks, 2.5 lakh Gram Panchayats, in 6.0 lakh villages in the country into their self-managed SHGs and their federal institutions and livelihoods collectives. NRLM's long-term dedicated sensitive support would be with them and extend facilitation support in all their efforts to get out of poverty. In addition, the poor would be facilitated to achieve increased access to their rights, entitlements and public services, diversified risk and better social indicators of empowerment.

Chapter I

Social Inclusion, Mobilization and Institutions

Mobilization of poor to form their 'own institutions' is the most important prerequisite and the core investment for large scale poverty reduction. NRLM would organize all poor households (women) into aggregate institutions of the poor that provide them with voice, space and resources. These platforms 'of the poor' and 'for the poor' would partner with local self-governments, public service providers, banks, private sector and other mainstream institutions to facilitate delivery of social and economic services to the poor.

Social Inclusion and Universal Social Mobilization: In order to ensure that no poor family is left out, NRLM would use differential strategies for social inclusion/mobilization of all identified BPL households into functionally effective and self-managed institutions, with particular focus on more vulnerable sections like scheduled castes, scheduled tribes, particularly vulnerable tribal groups, single women and women headed households, disabled, landless, migrant labour, isolated communities and communities living in disturbed areas. It would identify the poorest and vulnerable amongst the BPL through participatory vulnerability assessment and ranking. The mobilization would begin with them first. The mobilization effort would progress with the satisfactory community readiness and milestones for various stages of mobilization and graduation as evolved and tested in a participatory manner. Existing institutions, their leaders, staff and community resource persons (CRPs) would support the processes of inclusion and mobilization.

Promoting institutional platforms of poor: A Self Help Group (SHG), of 10-20 persons in general (5-20 persons in difficult areas) is the primary building block of the NRLM institutional design. NRLM would promote SHGs with exclusive women membership. The idea is to reach out to all family members through women. This is a key lesson from large scale experience within the country and globally. The major source of funds for the livelihoods of the poor is expected to come from the Banks. The Banks in the country are extremely favourable to extending credit to SHGs of women. The SHG serves the purpose of providing women members space for self-help, mutual cooperation and collective action for social and economic development. It promotes savings, builds own funds and becomes the local financial institution to provide a range of financial services including providing credit for debt-swapping and livelihoods. Some of the key elements of a successful SHG strategy are – (i) self-determined/voluntary group membership and group norms; (ii) homogeneity in group membership (through self-selecting process); (iii) group determined savings and intra-lending norms; (iv) initial intra-lending from own savings for smoothing consumption (v) social capital for providing support services (like training, book keeping, etc.); (vii) revolving funds and loans from banks to augment capital to meet various credit needs of the members; and (vi) higher order federations of SHGs.

Indicative development milestones of SHGs are -

- Pre-formation (2-3 months): Profiling and Vulnerability Assessment; initial interactions

- Formation (6 months): Organizing, Developing norms, Practicing *Panchasutra (*Regular meetings; Regular savings; Regular inter-loaning; Timely repayment; and Up-to-date books of accounts), Developing Micro-Investment Plan (MIP), Leadership development
- Linkages (6-24 months): Capacity Building, MIP, Linkages with Banks and setting up Primary Federations
- Beyond (2nd year onwards): Visioning/Plan, Livelihoods, New Products, Social Capital

Inclusion of Pre-existing SHGs and Federations: NRLM would support existing SHGs and SHG federations, whose membership is mostly (70% and above) from BPL households, to achieve their full potential. It would evolve processes for grading the quality of these existing groups and federations. The grading would identify the institutions, for instance, into three categories – (i) meeting the basic norms; (ii) could be trained; and (iii) could not be worked upon. NRLM would also develop a methodology for assessing the promoting institutions, Non-Government Organizations (NGOs) and other Civil Society Organizations (CSOs) and other line departments. NRLM would partner with them to achieve saturation in coverage. A mutually agreeable strategy would be evolved so that investment of time and resources by them are not frittered away and NRLM processes get a head start.

Building federations at different levels for sustaining collective action: Building and sustaining institutions of the poor at various levels would be for collective action, greater solidarity, bargaining power, economies of scale and larger linkages. Following the principles of subsidiarity, the federation at each level would have its own purpose, functionality and identity. These institutions would be independent, yet organically interdependent.

States would determine the levels and locations of federations - village, GP, cluster, block etc., guided by the federating logic and best practices and experience. Primary federation, at the village or Panchayat level, should enable close bonding of the SHGs, with 10-20 SHGs (5-20 SHGs for tribal areas or thinly populated areas). Its responsibilities would include: (i) bringing all left-out poor into SHG fold; (ii) providing support services like trainings, book keeping, etc. to SHGs; (iii) providing higher order financial and livelihood services; and (iv) facilitating access to public services and entitlements.

Building inclusive, participatory and accountable federations is process intensive. It requires sensitivity and active involvement of the constituent units. Federations would be legal entities with their own articles of association to carry on various social, financial and/or business functions. With overall accountability to the general body, executive committee and various sub-committees would function and execute the plans of the federation through their staff, community service providers, professionals and/or and other human resources. Systems/mechanisms of good governance, periodic review, planning and monitoring, accounts and record keeping, internal, statutory and social audit etc., should be in place to sustain the federations. Their capacities would be built in micro-planning, business and marketing linkages, besides creating access to financial services.

Generally, the financial services of the federations would be limited to only members and their families. Only in case of vulnerable like destitute, persons with chronic diseases/ HIV+, disabled, single women etc., services would be provided to non-members also. The technical services (dairy, skill training and placement to Youth, marketing etc) may be extended to non-members also.

NRLM would provide for the capacity building and staff costs of the federations, their leaders, professional staff, community professionals and other service providers/resource persons, till they become self-reliant. These federations would be nurtured to become self-reliant in due course of time. The federations would be developed in five phases of pre-formation, formation, functional, growth and sustainability, over 3-5 years.

Federations hold the key to the success of NRLM strategy. They become the support organization for the poor and as their strength increases, the role of external sensitive support organizations would decline. The perspective plans of States should clearly enunciate a "exit strategy" for the external support structure.

Specialized institutions like Livelihoods Collectives: NRLM would support promotion of specialized livelihoods institutions for deriving economies of scale, backward and forward linkages, and access to information, credit, technology, markets etc. They would address the gaps in the production-distribution value-chain with backward-forward linkages and engage in co-production and delivery of livelihoods services to the last mile. These collectives can be in farm – agriculture, livestock, forestry, fisheries – sector, non-farm and service sectors.

Creating Social Capital: NRLM would invest in creating a large pool of '*social capital*' i.e. institutions of the poor, their members and office bearers, community resource persons, community professionals (book keepers, accountants, community animators/facilitators, customer relationship managers in banks etc), to support poor communities. Supply side processes would ensure 'improved availability' of services i.e. community agriculture extension workers, para-vets, village health activists, etc. Demand side processes would ensure 'increased access' of services through aggregation (e.g. resource persons supporting commodity procurement centers and milk collection centers, 'bank mitras' etc.).

The social capital created through the NRLM processes is crucial for scaling up of NRLM and for sustaining NRLM. The poverty eradication strategy under NRLM would be successful only when it is completely driven by the poor themselves. The community resource persons are the "dynamic drivers" of NRLM as far as the horizontal scaling is concerned. The federations of SHGs and community professionals are the "static drivers" as far as deepening of the processes and sustaining them in a given area is concerned.

Processes and mechanisms that build self-managed self-reliant institutions of the poor: Through training, handholding and systematic guidance, NRLM would build ownership and control of the members in the institutions. It would build capacities and competencies of members and office bearers, community resource persons and community professionals at each level. It would build the capacity of community institutions. NRLM support structures would facilitate and nurture the institutions of the poor such that they become truly independent, self-managed and sustained on their own, over a period of time.

Thus, **external** dedicated support structure – Mission structures at various levels and NGOs and other CSOs – would give way for the **internal** community-owned support structure – institutions of the poor. Put in place right in the beginning, external support structure would nurture the emergence of the institutions of the poor and build their capacities so that they become the **internal** support structures. As they takeover more and more responsibilities in all the processes and at all stages, the role of the external support structure has to shrink or change. NRLM would facilitate this process, at various levels.

Capacity building of community and staff: NRLM underlines continuous capacity building of institutions of poor, their leaders, their community service providers and resource persons. The staff in support structures needs very intensive training to internalize NRLM core values and principles, apart from training in social, financial and livelihoods inclusion. Sensitizing and orienting all other stakeholders, including Panchayati Raj Institutions, to be inclusive of the needs of the poor and to have a pro-poor perspective is a must. The capacity building efforts would include: needs assessment; structured training programmes and events; establishing and involving capacity building units and resource agencies at various levels; pilots and demonstration sites to facilitate learning by doing and handholding; exposure visits; and experience sharing through best practitioner resource persons etc. The e-learning, distance learning, self-learning and people's learning processes would also be part of the capacity building.

Apart from knowledge, skills and tools for managing institutions and participating in institutions, the members would also be provided soft skills and livelihoods skills to improve their existing and new livelihoods.

In the various processes listed above, NRLM would partner with NGOs and other CSOs to achieve these objectives. Further, the existing SHGs of poor women and their federations being nurtured by NGOs would also be supported by NRLM.

Chapter II
Financial Inclusion

Access to repeat finance at affordable price and in desired amounts and convenient repayment terms is critical for poor to smoothen consumption, exit out of debt-trap and invest in livelihoods assets (acquisition, renewal and expansion). Reserve Bank of India (RBI) defines Financial Inclusion as providing access to appropriate financial products and services to the most vulnerable group of the society in a fair, transparent and cost-effective manner by the mainstream financial institutions. *Making poor the preferred clients of the banking system and mobilizing bank credit is core to the NRLM financial inclusion and investment strategy.*

Basic banking services

The **role of banks** would commence with opening savings accounts for all programme beneficiaries, SHGs and their federations (unregistered/registered). Full range of banking services, including savings, credit and remittances, would be facilitated. State Level Bankers' Committee (SLBC) in each State would facilitate consensus on the 'Know Your Customer' (KYC) norms and procedures to be adopted by the banks for providing these services.

Financial Assistance to SHGs

NRLM would provide revolving fund and capital subsidy fund to the institutions of the poor. The provision of these funds is expected to strengthen their institutional and financial management capacity and build their track record to attract mainstream bank finance. `

In the non-intensive blocks, for the purpose of deciding the eligibility of SHGs for availing Revolving Fund and Capital Subsidy they will be required to undergo a process of grading as Grade I and Grade II.

Various kinds of assistance in NRLM are -

Revolving Fund support to SHGs: NRLM would provide a Revolving Fund (RF) support to the SHGs (SHGs that have not received any RF earlier), as corpus, with a minimum of Rs. 10,000 and up to a maximum of Rs. 15,000 per SHG. The RF support, besides meeting consumption and initial production needs, would also build institutional capacities of SHGs in managing loans and funds. The eligibility conditions for SHG to receive RF are:

- SHG should be in active existence at least since the last 6 months;
- SHG should be practicing '*Panchasutra*' *i.e.* Regular meetings; Regular savings; Regular inter-loaning; Timely repayment; and Up-to-date books of accounts;
- Should have passed Grade-I on the basis of practice of *'Panchasutra'*
- In intensive blocks, in addition to *'Panchasutra'*, the SHGs should have received training in preparing Micro-investment Plans (MIPs).

MIP is a highly participatory process of planning and appraisal. It is iterative. SHGs would go through MIP process periodically. It consists of:

- Household plans prepared in consultation with the family members;
- Appraisal of the household plans by the SHG;
- Priority on the basis of vulnerability of the member; and

- o Priority on the basis of the urgency and/or seasonality of the need.

As the size of internal loans increases, the group planning and execution processes would get strengthened and rigorous. Gradually groups would develop own norms for loans for productive and consumption purposes; social audit of loan usage; repayment monitoring; and recycling of loan repayments. The capacity building plan of the SHGs must, therefore, factor the financial literacy and business education needs, besides trainings on MIP.

NRLM values accumulation and retention of savings and other funds in the institutions of the poor. Therefore, NRLM would find ways to incentivize institutions for accumulating savings/own funds.

In the non-intensive blocks, the existing system of grading SHGs on quality parameters may continue to be followed.

Capital Subsidy Fund in intensive blocks: In intensive blocks the primary federations are expected to be formed within one year of the social mobilization process commencing in a village. Capital Subsidy (CS) would be provided to SHGs based on the quality of the group, their track record in managing their savings and internal lending, and on the basis of their micro investment plans. The poorest and most vulnerable groups would be prioritized for providing CS.

Once the primary village federation is formed the CS fund would be routed to the SHGs through the federation, where the SHGs desire such an arrangement. The member SHGs should pass a resolution to this effect. This fund would act as catalytic capital and the federation would have flexibility to allocate funds for various requirements with the consent of the member groups. A large part of this fund would be used for on-lending to the SHGs for providing financial assistance to their members to meet their livelihoods and other essential needs. The eligibility conditions for the federation *(that has not received such support from any other government source earlier)* to receive the CS are:

- The primary federation should have been in active existence for at least 6 months, with a savings account in the bank; and governance systems in the form of office bearers and the functional committees have been established and trained;
- Standard books of accounts and a trained book keeper should be in place;
- MIPs for the eligible SHGs should have been formulated; and
- At least one-third member-groups should have been credit linked to banks, with at least 90% repayment against such loans, or there should be an assurance from banks that SHGs following good management principles would be financed within a defined time period.

In some states, second-tier federations of SHGs have also been formed. They could also be considered for routing this fund if they have evolved in an organic manner and the member SHGs of the primary federations give their written consent for this arrangement.

The key guiding principles for deciding on the funds requirements for a federation could be:

- The minimum amount required to meet the priority needs of the more vulnerable SHGs among BPL SHGs;
- The responsiveness of the banks to finance member SHGs;
- The need for the food and nutrition security credit and health security credit; and

- Amount required for ensuring the viability of the primary federation.

The primary federations would be encouraged to prepare a 3-5 year plan indicating the investments required for member SHGs and also for collective economic activities. The sources of funds - own savings, bank loans and the CS - would be indicated. The progress of the federation could be measured in terms of the leveraging effect of the CS.

CS fund would be mainly to inject financial resources into the institutions of poor and catalyze investments into the livelihoods of the poor. This would also help SHGs develop a track record for attracting mainstream financing from banks. CS along with other own funds leverages repeat bank financing. Once banks respond to the needs of the SHGs effectively, this fund could be used to support collective initiatives for strengthening livelihoods of the poor. Thus, it would become a capital resource/corpus for institutions of the poor.

Capital Subsidy Fund in non-intensive blocks: In the absence of SHG federations, the CS fund would go to SHGs directly and this CS could be used to demonstrate their credit worthiness to mainstream financial institutions and build their confidence to provide repeat doses of loans on continuous basis. As such the CS fund is linked to the bank loan, and would be released to SHGs satisfying the following eligibility conditions:

- Completed at least 12 months of active existence;
- A minimum period of 6 months has elapsed after the receipt of revolving fund;
- Have received satisfactory rating from the financing bank;
- Availed and repaid promptly at least one dose of bank linkage;
- Have attained the 2nd grading
- Have not received CS earlier; and
- A well articulated proposal for the activity to be taken up should have been prepared.

For the purpose of 2nd grading of SHGs, States will devise their own transparent grading criteria and process.

The banks would follow the financing norms of SHG-Bank Linkage Programme. However, the banks would maintain **a minimum subsidy-loan ratio of 1:2**. Since there would be a large number of eligible BPL SHGs in a block, depending on the CS quantum available, some criteria may be used to shortlist/prioritize amongst them. Indicative criteria include -

- Age and Grading of SHG;
- Vulnerability of SHG;
- Equity across all villages;
- Loan: subsidy ratio – higher the ratio, greater the eligibility; and
- Hand holding support available to SHGs through NGOs and other CSOs.

As soon as a block becomes an intensive block as per the phasing planned, the pattern applicable to intensive blocks would be applicable.

Under no circumstances, Capital Subsidy ceilings for BPL SHGs and for individuals in SHGs would be exceeded. Further ceilings within may be introduced as the CS fund is limited.

Bank finance to SHGs: The bank financing would take two forms - financing under NABARD's SHG-Bank Linkage Programme for SHGs or their federations; and financing SHGs or their Federations for specific economic activities on cluster basis. The salient features of bank finance are:

a. Banks, treating this as a mainstream business opportunity, would view SHGs as business clients. Banks would maximize the business potential in SHGs and extend credit support on continuous basis.
b. Banks would adopt a Rating Index developed by NABARD as appraisal tool for assessing credit worthiness of SHGs.
c. Consensus among the various participating banks on the norms like eligibility of SHGs, graduating loan sizes with each repeat loan, tenure of loans, uniform rating norms, loan documentation, etc., would be evolved.

Financial Assistance to Individuals

In a rare eventuality, where it is not possible to organize, an individual member can be considered for providing the benefits/assistance, through any existing institution of the poor in the village. This institution or PRI would take the responsibility for identifying and confirming the most deserving beneficiaries and for appraising the business plan(s) for financing. In case of more candidates, the most suitable amongst them would be shortlisted. CS for the individual beneficiary would be a maximum amount of Rs. 15,000 in general category; and Rs. 20,000 in SC/ST category. On the overall, NRLM/SRLM would maintain stipulated thresholds viz. SC/STs – 50%; minorities - 15%; women - 50% and persons with disability - 3% in the total individual beneficiaries assisted during the year.

Interest Subsidy

With a view to provide access to credit at affordable rate of interest to the rural poor and make their investments more viable, NRLM would provide interest subsidy. It would be the difference between the interest charged by the bank and 7% per annum, on all loans from main stream financial institutions to BPL SHGs, who are regular in loan repayment. This performance-linked interest subsidy would provide the perspective of long term engagement with banks over the entire credit cycle; it would also reverse the logic of allocation-based financing in banks in favor of lending based on quality of institutions and their business plans; and it would enable repeat financing to SHGs and a long term relationship between the bank and the SHG. This subsidy would be available to each BPL household till their cumulative loaning, over several doses, reaches Rs. 1.00 lakh. Interest subsidy is not applicable when a group is availing capital subsidy and bank loan simultaneously. However, when the group takes a repeat loan, without the capital subsidy, the interest subsidy is applicable. The interest subsidy will be reimbursed periodically, subject to regular repayment of loans by the beneficiaries.

Insurances Services for the Poor

NRLM would work with insurance companies to ensure universal coverage of micro-insurance services, particularly to cover life, health and asset risks of the poor and vulnerable households. It would seek convergence with a few insurance schemes launched by Government of India like 'Aam Admi Bima Yojana', 'Jan Shree Bima Yojana', 'Rashtriya Swasthya Yojana' and agriculture and livestock insurance schemes.

Coordination Mechanisms

Close involvement of various line departments, banks, public and private sectors, NGOS and other CSOs is essential for monitoring the credit flow and utilization. In order to ensure proper coordination, the following committees could be constituted at various levels:

Central Level: A Central Level Coordination Committee (CLCC)[1] chaired by Secretary, RD, MoRD and comprising of Secretary level officers representing various Departments in Government of India, RBI, NABARD, Commercial Banks and State Secretaries of Rural Development etc. Joint Secretary/Mission Director (NRLM) is the Member-secretary. The committee shall meet every six months to discharge the following functions:

1. Review implementation and progress of these programmes in physical, financial and qualitative terms including credit assistance;
2. Review linkages for support services for NRLM;
3. Consider concurrent evaluation reports;
4. Provide a forum for a continuous dialogue with State Governments and Bankers; and
5. Review credit arrangements and recommend changes and improvements.

State Level: SLBC would constitute an exclusive sub-committee for SHG bank linkages and financial inclusion in NRLM activities. Functions of this sub-committee would include planning, coordination, monitoring and review of financial inclusion and credit linkages. This sub-committee shall meet at least once every quarter to ensure proper follow up.

District Level: District Level (Credit Review) Coordination Committee (DLRC/DLCC), chaired by the District Collector, would review the implementation of NRLM activities and remove any impediments in flow of credit to SHGs, SHG federations and livelihoods collectives. This committee shall meet at least once every quarter for discharging the following functions:

1. Monitor and review of the overall progress in physical and financial terms;
2. Sort out inter-agency differences and prepare items for consideration of SLBC;
3. Assess training needs and review training arrangements ; and
4. Monitor bank-wise, block-wise recovery to initiate corrective measures.

At sub-district level, the joint block level consultation committees would review SHG-Bank linkages and NRLM. The district and sub-district mission unit members, other block level development officials, bank branch managers, SHG representatives, select members of SHG-Bank linkage committee(s) and/or SHG federation office-bearers and the representatives of livelihoods organizations, within the block, would attend the meetings of these committees.

Making financial services work for the poor

NRLM would develop strategic partnerships with major banks and insurance companies at various levels. It would invest in creating enabling conditions for both the banks/insurance companies and the poor for a mutually rewarding relationship. This would include a range of activities in both supply and demand side of rural finance value chain. Some of them are:

[1] Composition can be seen in Annexure 2

a. Financial literacy, counselling services on savings, credit and insurance and trainings on Micro-investment Planning embedded in capacity building of all SHGs;
b. Improving quality of banking and insurance services to poor clients by positioning customer relationship managers (Bank Mitra, Bima Mitra) and encouraging institutions of the poor to constitute sub-committees on bank linkage and recovery of loans;
c. Specialized spearhead teams could be constituted by banks for business development and origination services, monitoring and recovery of loans to SHGs and federations;
d. New savings, credit, remittance and insurance products through institutions of the poor;
e. Partnerships with banks for reaching out to all poor, leveraging IT mobile technologies and institutions of poor and youth as business facilitators and business correspondents;
f. New business processes taking advantage of Core Banking Solutions and other financial technologies – separate electronic payment points and business processing cells;
g. Specialized Cells of NRLM for review and coordination in each controlling office of the participating banks to give on-site guidance for the branches;
h. Cost-effective people's banking structures for basic banking for the poor, apart from facilitating increased own funds with the institutions of the poor;
i. Community based models, including call centers and trained community professionals (Bima Mitra), for delivery of insurance services in the last mile; and
j. Web-portal for online transaction processing.

Chapter III

Livelihoods

NRLM's main focus is to stabilize and promote existing livelihoods portfolio of the poor, in farm and in non-farm sectors. Consumption patterns of the poor influence well-being, productivity and risk taking ability of the poor. The business risks, life cycle risks, higher costs for consumption/production[2] and exploitative terms of trade expose the poor to extreme vulnerability. To cope with this, poor and vulnerable households pursue diverse and multiple livelihoods strategies. Interventions have to cut across all these layers.

The most common livelihoods of the poor are wage labour, cultivation on small and marginal landholdings or as tenants, cattle rearing, collecting forest produce, fishing etc. The most common non-farm livelihoods are the traditional occupations – weaving, carpentry, black-smithy, washing clothes etc. The poor are also looking for new alternative livelihoods options in the employment continuum. Poor are not just producers and service providers. They are also consumers – consumers of daily needs and inputs and raw material for their livelihoods activities. Therefore the poor move gradually on the continuum from consumption → debt swapping → enhancement of existing livelihoods → diversification.

In this context, NRLM would look at the entire portfolio of livelihoods of each household and facilitate support for the activities at the individual/household level, or in a collective, or at both levels. Thus, the three pillars of NRLM Livelihoods Inclusion are –

- 'vulnerability reduction' and 'livelihoods enhancement' through deepening/enhancing and expanding existing livelihoods options and tapping new opportunities within the key livelihoods that are virtually universally practiced like agriculture, livestock, fisheries, forest produce collection, etc.;
- 'employment' - building skills for the job market outside; and
- 'enterprises' - nurturing self-employed and entrepreneurs (for micro-enterprises).

Vulnerability Reduction

This is mostly applicable to intensive blocks.

Access to services, safety nets and entitlements: Large resources as entitlements like PDS [Public Distribution System], pensions, MGNREGS [Mahatma Gandhi National Rural Employment Guarantee Scheme], social insurance, health services, etc., can strengthen the household economy in terms of additional incomes, savings on expenditure and increased consumption. The institutions of the poor with better accountability systems would provide an effective platform for reliable and efficient delivery of such services and entitlements.

[2] Since poor buy goods and services in small uneconomical lots and often on credit basis.

Need based models for food and health financing: Borrowing by the poor for emergency food and health expenditures in distress often leads to dispossession of productive assets and loss of livelihoods. In intensive blocks, NRLM would support primary SHG federations to allocate dedicated resources for financing food and health expenditures, in addition to the resources for livelihoods assets. This support would be based on SHGs coming together and preparing micro-plans to operationalise it. The poor households would be encouraged to contribute separate health savings to a 'Health Risk Fund' during good times and in times of health emergencies, loans would be given to member households at nominal interest rate and easy installments. On food security, the models may include financing food purchase from PDS and bulk purchases from the open market and distributed as in-kind loans.

Debt restructuring: NRLM would work towards altering existing high cost debt structure and untangling the poor from concomitant exploitative relationships. It would facilitate consumption loans in the portfolio of SHGs and financing MIPs for debt redemption by primary SHG federations and banks to reduce the high cost indebtedness of the poor.

Small grants and soft loans to poorest households: The primary federations would support creating a special fund out of the CS fund to provide small grants to the poorest like destitute, old, infirm and disabled for meeting their emergency food and health expenditures. This support need not be seen as one time assistance. They can combine these small grants with other entitlements like pensions, food aid, PDS, health insurance, NREGS etc., for maximum impact.

This fund can also be used for social inclusion of the *ultra poor households* [*who find it difficult to immediately participate in SHGs]* by strategically combining soft loans for acquiring productive assets and safety net (small grants) for meeting food/health/working capital needs, till the assets start yielding cash returns. Thus, ultra poor graduate slowly into the mainstream strategy.

This fund, within the limits for CS for individuals and SHGs, would be created based on consultations among SHGs and their consent on the requirement and the ways of deployment.

Livelihoods Enhancement

This is mostly applicable to intensive blocks.

NRLM would offer livelihoods knowledge, skills, technology, market intelligence, risk management products and credit support through their SHGs and Federations to individual members/households. The interventions would be in the areas of sources of incomes and employment, drains of expenditures, risk management, knowledge, skills, assets and other resource augmentation/optimization. It would also support the institutions of the poor to go in for collective purchases, group value-addition and collective sales of their produce.

Collectives towards Sustainable Livelihoods of the Poor (CSLP)

On achieving universal mobilization of poor into SHGs and their federations, NRLM would promote specialized livelihoods institutions/collectives around key livelihoods of the poor –

- for reliable, cost-effective and affordable service delivery to members - knowledge, skills, technology, tools, assets and investments;

- for aggregating produce and/or demand/supply and achieving economies of scale, backward and forward linkages, and access to market - collective procurement, value-addition and marketing; and
- for bundled productivity enhancement, access to information, credit, technology, inputs and facilitation services – extension, technology transfer, quality control etc.

These livelihoods collectives would pass on immediate benefit of productivity improvement, market information and market facilitation to members. They would also benefit the members by helping them access fair price for their produce by linking with formal sector.

Based on participatory livelihoods mapping and detailed livelihoods analysis, and identification of gaps (in the value-chains) and opportunities (from market) for intervention and collectivization, SHGs and Federations would evolve and implement the intervention plan through livelihoods sub-committees in Federations. After adequate experience with running them and members experiencing significant benefits, these sub-committees would be transformed into separate livelihoods organizations – cooperatives, producers' companies etc. *These organizations could also be facilitated directly where feasible.*

Farm-based value chains: NRLM would encourage value chain approach, so that the livelihoods collectives focus on a critical part of the value-chain and seek linkages with market and partnerships with other business entities where appropriate. Value chain development would be - around the existing predominant activities in the area like food grains, dairy, fresh vegetables, etc., and/or around a significant market opportunity for the collectives. These mutually beneficial partnerships would reduce the perceived costs and risks of aggregation for the business partners and risks of market fluctuations and costs of holding for the poor and their collectives. Recognizing more than 75% of the rural poor are dependent on land and livestock as important sources for their livelihoods, NRLM visualizes the evolution of collectives of sustainable agriculture and dairy as a universal intervention.

Non-farm Clusters: NRLM, based on the local context and resource situation, would also identify a few activity/trade clusters of non-farm enterprises for comprehensive support. The collective(s) and the members together would work on the substantial part of the value-chain so that they realize substantial proportion of consumer rupee. The support would include skill enhancement, design/product development, credit access, bulk procurement of raw materials, collective marketing and provision of common facilities for value addition/quality control/packaging and supply contracts with downstream firms. This would preferably be done in partnerships mode with NGOs and private sector

Infrastructure and Marketing Support Funds available would be used for building these farm and non-farm collectives and supporting related interventions - value-addition, market research, market intelligence, marketing support, pooling and marketing etc.

NRLM would also augment the technology and grassroots innovations and disseminate them after pre-testing and technology audit. It would also network with the research and technical institutions for solutions to the problems of the poor on ground.

Public – Private - Community Partnerships: NRLM would actively seek Public-Private-Community Partnerships between peoples' institutions, public and private enterprises for developing alternate channels to deliver livelihood support and business and market linkage services for the poor. These are very effective for co-producing and delivering livelihoods support services for the poor - farm extension services; agri-input supply; procurement, grading and processing franchisees for agribusiness enterprises; logistic service providers; and public services, social safety net programmes and related services in the last mile.

Sustainable Agriculture for the Small Producers (SASP)

NRLM visualizes the entire land of the poor under the ambit of sustainable agriculture. Its endeavor would be to increase land under cultivation with the poor, reduce cost of cultivation, enhance household food and nutritional security and increase farm-incomes to them, without compromising on productivity. Community-managed Sustainable Agriculture (CMSA) has a distinctive pro-poor bias because of the lower costs, low risk, and greater labour intensity.

The key aspects in this farming system approach/effort to be implemented in a phased manner over 6-7 years, include -

- reducing the cost of cultivation, and promoting sustainable agriculture practices including non-pesticide management, soil management, water productivity enhancing farming (like System of Rice Intensification - SRI) and ecological cultivation
- using multi-crop and multi-tier models for bio-diversity planned for each household
- organizing farmers, building CMSA sub-committees in SHG Federations at various levels and all the related staff remaining accountable to them
- decentralized extension system with extension workers from within the community and best practitioners and peer learning groups a la farmers' field schools
- Community-paid Activists/Animators at village level, cluster level and block level
- Fee/contribution from the members for extension and other services
- Self/community-managed nurseries, shops with bio-compost and non-chemical inputs/agents
- livestock and animal husbandry support as an integral part
- increasing cultivable land in the hands of the poor/ultra poor households through leasing, accessing government waste lands, etc
- land development and water management/conservation including rain-water harvesting, tree-based farm bunds etc., in each farm
- convergence with MGNREGA (Ministry of RD) and Rashtriya Krishi Vikas Yojana (Ministry of Agriculture)
- local storage, processing, value-addition and bulking in the SHG Federations initially and separate specialist institutions as the critical scale is achieved; market linkage(s)
- sustainable agriculture-based livelihoods collective(s) in due course at an appropriate level to own and manage the entire effort in the long-run

- e-database of all farmers; portal of sustainable agriculture and market intelligence; tracking the practices, crops, productivity and incomes of farmers
- district resource unit managed by a specialist district resource agency

The funds for this can be drawn from the infrastructure and marketing support funds, convergence and member contributions. SHGs and Federations can provide credit for working capital and acquiring assets, if any, on individual or collective basis.

Infrastructure and Marketing Support Fund for Livelihoods

For deriving optimum returns from an economic activity, NRLM provides for utilization of up to 20% of the total fund outlay in the annual NRLM plan of the state (25% in the case of North Eastern States) for the infrastructure and marketing support. This fund is meant to provide end-to-end livelihoods solutions for the poor, their SHGs, federations and livelihoods collectives. This fund can also be used for creating both soft and hard infrastructure for supporting livelihoods activities of poor but not to meet recurring expenditures of maintaining infrastructure. Further, this fund is not meant to substitute the infrastructure investment of the various line departments. The infrastructure created with this fund will vest with SHGs or their federations or Livelihoods organization of the poor

Some illustrative purposes for which this fund may be used are -

i. Productive infrastructure for processing, storage and value addition (one time);
ii. Marketing support services like packaging, branding, market research etc. (one time);
iii. Consulting services for productivity enhancement and cost/risk reduction (one time);
iv. Organizing fairs and exhibitions and participation of SHGs in fairs and exhibitions etc.

Institutions of the poor or for the poor could seek funds from this fund to realize the entire but viable business plan(s), with clear roles for various business partners - private sector, cooperative sector and public sector. The appraisal process should clearly bring out the increase in incomes or reduction in costs/risks or any other benefits. This funding support would be a capital grant. Community-based or public market support organizations could also seek funds on the basis of clear partnership between them and institutions of the poor.

Innovative livelihoods projects

5% of the total NRLM Central allocation has been set apart for supporting livelihoods innovations. These innovative projects do not form part of the annual action plans of the states. They are appraised and sanctioned at the Centre separately.

Well-conceived sustainable livelihoods projects, with their own strategies, that bring a specified number of poor and vulnerable households above the poverty line would be considered. These could include organizing livelihoods collectives, providing training in design or manufacturing, common infrastructure, technology support, marketing, etc.

Guiding Principles: Broad guiding principles for innovative projects include -

- A new concept, worked very well on small scale with an established proof of concept;

- Substantial benefit to the poor vis-a-vis their existing livelihoods situation – additional employment days, better price realisation for their labour and goods, lesser costs of inputs and production, value addition at the village level, etc.;
- End-to-end solution;
- Livelihoods organisations managed by the poor themselves;
- Multi-state projects or SRLM-led state projects; and/or
- Partnership based (Public, private, community, partnership (PPCP)) – institutions of poor, technology provider, marketing services provider, financial solution provider, etc.

Likely types of projects envisaged include:

- ✓ non-farm;
- ✓ small and marginal farmers' ecological and organic farming;
- ✓ particularly vulnerable tribal communities (livelihoods security); tribal non-timber forest produce collectors (NTFP collection, value addition and marketing); coastal communities (livelihoods security); livelihoods in ecologically fragile zones; commons;
- ✓ substantial value-addition and forward linkages in agriculture and livestock;
- ✓ Pioneering projects that could trigger growth impulses - in collaboration with industry associations, R&D organizations, private sector, government or CSOs; and/or
- ✓ innovations by SRLMs at the state level that they would like to try out.

Project Screening and Approval: Comprehensive Project proposals that satisfy most of the guiding principles and articulate innovation and uniqueness of the approach, coverage, linkages etc. would be considered. These projects can be submitted to NRLM/NMMU for assistance, directly or through SRLM. The Projects submitted would first be screened by the Project Screening Committee (PSC)[3], chaired by NRLM Mission Director. PSC would refer the screened project with its recommendations to the Project Approval Committee (PAC), chaired by Secretary, Rural Development, MORD for its consideration and clearance.

Employment Continuum

These programmes can be taken up across in both intensive and non-intensive blocks.

Skills Development and Placement

Creating one job per poor household, in formal sectors, brings the whole family out of poverty in a short period of time. It brings in stable and higher levels of income. NRLM would attempt to bridge the skill gap and entry level barriers for the rural BPL youth and facilitate their entry into relatively high wage employment in the growing sectors of economy. It would offer complete 'jobs' solution - identifying the unemployed, skilling and re-skilling them, placing them in jobs, providing post placement support, counseling and

[3] See Annexure 2 for the composition of Project Screening and Project Approval Committees

mentorship, and leveraging an alumni network. These skill development programmes would be demand driven and placement-linked. NRLM/SRLMs would support a string of academies delivering job related courses and build networks with the private sector to explore employment opportunities. These programmes would also enable the poor to migrate to growth centers for jobs in organized sector on better terms, with better skills, higher wages and a sensitive support network instead of distressed migration as in the past.

Various models of partnership with various skill development organizations in general and the private sector in particular would be developed and pursued. Industry associations, sector specific employers' associations, banks etc., would be involved. National Skill Development Corporation (NSDC) would be one of the leading partners. NRLM will partner with NSDC and Ministry of Labour & Employment to facilitate establishment of a high profile Skill Development Council with various stakeholders from the industry and from training institutions as members to guide the entire effort.

15% of the NRLM Central allocation has been earmarked for placement-linked skill development. Half of the allocation (i.e. 7.5%) would be given to SRLMs [following the funding pattern of 75:25 for states or 90:10 for north-eastern states] that have set up dedicated institutional mechanism(s) for implementing skill development projects and the balance would be retained at national level for multi-state skill development projects.

The broad scope of work for NRLM/SRLMs in this component includes:

a. Identifying poor youth in need of employment/job
b. Planning and organizing supply side conditions to deliver customized job solutions
c. Partnerships with placement agencies and accreditation agencies, and franchisee arrangements with training academies, technical training and development institutes
d. Assessing skills in demand, surveying employers and engagement with companies and hiring agencies for building pro-poor demand side systems in the jobs market
e. Creative ways to ensure placement and diligent post-placement support including mechanisms for safe migration, childcare, occupational health support and remittances
f. Web-enabled tracking systems

Screening and Approval of multi-state projects: Proposals for multi-state skill development and placement projects in high poverty backward districts in the prescribed format would be submitted online directly. The project size should be within Rs.15.0 Crore. These proposals, screened by Project Screening Committee, would be considered by Project Approval Committee. The PSC and PAC[4] are the same as those for the innovative projects. The protocols of screening, recommending and approval are also the same.

Rural Self Employment Training Institutes (RSETIs)

RSETI concept is built on the model pioneered by Rural Development Self Employment Institute (RUDSETI) – a collaborative partnership between SDME Trust, Syndicate Bank and Canara Bank. The model envisages transforming unemployed youth into confident self-employed entrepreneurs through a short duration experiential learning programme followed by systematic long duration hand holding support. The need-based training builds

[4] See Annexure 2 for the composition of Project Screening and Approval Committees

entrepreneurship qualities, improves self-confidence, reduces risk of failure and develops the trainees into change agents. Banks are fully involved in selection, training and post training follow up stages. The needs of the poor articulated through the institutions of the poor would guide RSETIs in preparing the participants/trainees in their pursuits of self-employment and enterprises.

NRLM would encourage public sector banks to set up RSETIs in all districts of the country. A one-time grant of Rs.1 Crore is/would be made to set up one RSETI in each district in each state, while the state governments would provide free land for the institutes in the districts. Other recurring costs of the institutes are/would be borne by the sponsoring banks. RUDSETI would provide structured technical assistance to banks and RSETIs for improving the effectiveness of their programmes. The areas of technical assistance to RSETIs would include trainee selection methodologies, course development, training pedagogy, MIS and post-training follow-up mechanisms. The post-training support mechanisms for graduates of RSETIs include interactive web portal, call centers, network of business counseling centers and alumni conventions. Further, RSETIs would partner with others to realize their mandate and agenda. RSETI Operational Manual would guide RSETIs.

Chapter IV

Convergence and Partnerships

Convergence

Government of India and State Governments are implementing a wide range of programmes to address different dimensions of poverty and deprivation. Major Government programmes impacting on the poor can broadly be classified as -

- **Entitlements** – PDS, MGNREGS, social security, Right to education etc.
- **Improving quality of life** – Health & nutrition, clean drinking water, sanitation, permanent housing, electricity etc.
- **Enhancing capabilities** – Elementary education, vocational, technical education, skills enhancement, etc.
- **Creating livelihoods opportunities** – Institutional finance, Agriculture, animal husbandry, watersheds, MSME development, food processing, etc.
- **Physical Infrastructure Schemes** – Roads, electricity, telecommunications, etc.

These are not exclusive; and a particular programme may cover several categories.

Effectiveness of these programmes can be vastly enhanced with linkages between the institutions of the poor, PRIs and the respective line ministries. These partnerships would enable them to develop different models for service delivery and the poor to access the services better. NRLM/SRLMs would work on developing these partnerships and build synergies.

For example, MGNREGS and NRLM offer scope for convergence to improve their effectiveness and impact by building synergies. MGNREGS focuses on wage employment and development of natural resources and creation of community and livelihood assets for rural poor. NRLM would ensure that the poor are organized. If converged, NRLM could facilitate the institutions of the poor at village level to discuss MGNREGS in their regular meetings, be involved in preparing job cards, selecting works, supporting in wage payment, creating awareness about entitlements and rights in MGNREGS, social audit etc. Further, NRLM would link the poor, whose lands have been developed under MGNREGS, with technical inputs, skill up-gradation, bank credit and marketing.

Similarly, NRLM would emphasize convergence with Rural Housing, Drinking Water and Sanitation, Integrated Watershed Management, Provision of Urban Amenities in Rural Areas and other programmes for ensuring that the poor get their due entitlement(s). It would also support the poor to access and build on the livelihood opportunities generated by them.

Efforts would also be made for convergence with the programmes of Ministries of Panchayat Raj, Human Resource Development, Agriculture, Animal Husbandry, Food

Processing, Health & Family Welfare, Textiles, MSME (KVK), Women & Child Development, Financial Services, Tourism etc. Further, NRLM would take the mobilization of the poor by other projects/programmes/departments into cognizance and build on this foundation. It would take initiative to ensure universal coverage of rural poor against loss of life, assets and health through convergence with programmes like Aam Admi Bima Yojana, Rashtriya Swasthya Bima Yojana etc.

Partnerships

NRLM, being conscious of the ambitious task before it, would work, involve and partner with various stakeholders. These stakeholders would share learning, expertise, costs and resources, and take up implementation and sensitive support roles and tasks at various levels, run pilots, showcase models, train and build capacities, be resource groups and centres, provide linkages, generate, manage and disseminate knowledge, advocacy, etc.

Non-Government Organizations (NGOs) and other Civil Society Organizations (CSOs)

The learning from the rich grassroots experience and demonstrations of NGOs and other CSOs has influenced MoRD and the state departments to formulate new strategies and fine tune existing strategies for improving livelihoods and reducing poverty. The partnerships with them would be critical and within the ambit of the *national framework for partnership with NGOs and other CSOs*, guided by NRLM core beliefs and values.

NRLM would proactively seek these partnerships in various geographic and thematic areas at two levels - strategic and implementation, subject to mutual agreement on processes and outcomes. For planning partnerships, it would carry out diagnosis of the status in each block to map the presence of NGOs/CSOs and their social mobilization and thematic efforts. Some of the possible areas of partnerships would include:

i. Implementation of the programme in specified clusters of villages or blocks;
ii. Up-scaling and deepening thematic interventions in areas of significant presence;
iii. Service provision in their core competence areas;
iv. Linking SHGs and their federations with various initiatives of line ministries;
v. Innovations;
vi. Joint Policy Advocacy and learning forums/platforms; and
vii. Continuous dialogue with NGOs and other CSOs to improve NRLM implementation.

Other stakeholders include Private Sector, Corporate Social Responsibility Units, Philanthropic Foundations/Trusts, Training Institutes/centers, etc. **Industry Associations** would inform strategy formulation for skill development and placement with periodic HR and skills assessment and market studies. They would invest in demand side of the jobs value chain, including course design, quality assurance, counseling, etc.

Academic, Training and Research Institutions: NRLM, with emphasis on 'professionally competent and dedicated implementation structures' at various levels, would partner with academic and training institutions for curriculum design, training pedagogy, faculty/ trainer development and for training and developing professionals across. It would partner with research institutions/centers of excellence for research/diagnosis tools and policy and strategic planning through field/action research, social observatories to monitor trends, etc.

Public-Public, Public-Private, Public-Private-Community Partnerships: NRLM would work with RBI, NABARD, Banks and other Financial Institutions, and Insurance Companies. It would build platforms for Public-Private-Community Partnerships in key livelihoods sectors like agriculture, livestock, non-farm sectors, for developing select value chains or product clusters. It would build value-chain based business partnerships and market linkages. It would also build a variety of partnerships for poor to increase the access to their rights and entitlements, public services, expertise and other services.

Chapter V
Panchayat Raj Institutions

Panchayat Raj Institutions (PRIs) have a constitutional role in Local Economic Development, Poverty Reduction and Social Justice. Mutually beneficial working relationship and formal platforms for consultations, between Panchayats and institutions of the poor, need to be facilitated in the interest of deepening democracy and empowering the poor. Care should be taken to preserve/protect the autonomy of the institutions of poor. Regular consultations for mutual advice, support and sharing of resources available with the Panchayats need to be facilitated. Where PRIs are not in place/recognized, traditional local village institutions would take up the roles of PRI.

Role of PRIs: PRIs would be actively involved in various activities of NRLM. Indicative activities of their involvement/engagement include:

(i) Identifying and mobilizing BPL households into SHGs, with initial priority for poorest and most vulnerable amongst them;
(ii) Facilitating SHG federation(s) at various levels and providing accommodation and other basic facilities for their effective functioning;
(iii) Incorporating and making suitable financial allocations to the priority demands of the SHGs and their federations in the annual plans/ activities of the PRIs; and
(iv) Coordinating with different departments and agencies on behalf of the SHG network.

Responsibilities of the institutions of the poor: In turn, institutions of the poor could undertake the following responsibilities:

(i) Participate actively in Grama Sabhas and other forums of PRIs;
(ii) Provide feedback through community based monitoring;
(iii) Support developmental initiatives of PRIs; and
(iv) Support PRIs in their planning exercises.

In situations where the relationships between the PRIs and the institutions of the poor have matured, PRIs may lease out panchayat resources (like fish ponds, common properties, market yards etc.) to them; and entrust them responsibilities for managing select civic amenities, executing civil works, extension and outreach mechanism for delivery of services etc.

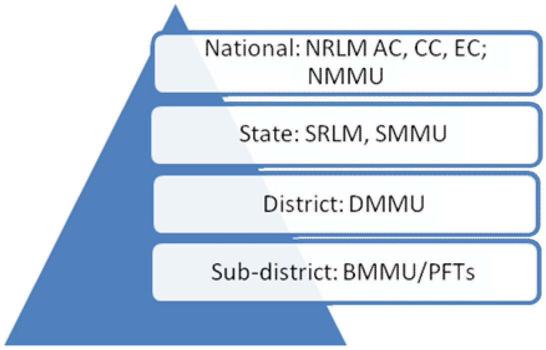
These linkages/synergies can be achieved only with significant capacity building efforts. PRIs should be imparted training and exposure on issues related to poverty, social justice and other NRLM processes. Institutions of the poor need to be sensitized on the role of PRIs and the need to work in close coordination with them.

Mechanisms for Interface with PRIs: Formal mechanism for regular interface between the Institutions of the poor and PRIs is important. NRLM would create a platform for PRIs and the SHG network to work together, sharing information and views, resource pooling and planning and regular monitoring, could be created. Further, it would identify, assess and reward PRIs/villages annually for achieving milestones towards livelihoods outcomes. Towards this, an independent assessment and rewarding framework would be developed and implemented.

Chapter VI

Support Structures

NRLM would set up dedicated sensitive support units at the National, State, district and sub-district levels, to catalyze social mobilization, build institutions, capacities and skills, facilitate financial inclusion and access to financial services, support livelihoods and convergence and partnerships with various programmes and stakeholders. These units would be staffed with professionally competent and dedicated human resources.



Support Structure at National Level

At the national level, there is an NRLM Advisory Committee (NRLM-AC)[5], chaired by the Union Minster of Rural Development. It would comprise of eminent persons representing CSOs, financial institutions, industry associations and academia, development and livelihoods experts, representatives of state governments etc. As a policymaking body, it would set the NRLM overall vision, direction and priorities and review the overall progress.

NRLM Coordination Committee (NRLM-CC), chaired by Secretary, Rural Development, MoRD, would oversee NRLM to ensure that its objectives are achieved in time. NRLM Empowered Committee (NRLM-EC) would review and approve the State Perspective and Implementation Plans and Annual Action Plans and release the funds to SRLMs.

The Joint Secretary/Additional Secretary, NRLM, MoRD leads NRLM as Mission Director and head of its National Mission Management Unit (NMMU), comprising multidisciplinary team of professionals from open market on contract, and requisite support staff. Thematic sub-groups in Social Inclusion, Financial Inclusion and Livelihoods would be setup. Technical Support Cell (TSC) within NMMU would coordinate technical support and multidisciplinary appraisal missions to the states. TSC would build and maintain a pool of national resource persons, advisers and experts in all relevant disciplines, drawn from NMMU, state missions and the development sector. Exclusive cells in NMMU would be responsible for Placement-linked Skill Development and Innovative Livelihoods Projects.

[5] See Annexure 2 for composition of NRLM Advisory, Coordination and Empowered Committees

Technical Support to States/UTs

NRLM would provide technical support for creating capacities at all levels and among all partners - banks, public and private sector and the institutions of the poor.

Knowledge Management and Capacity Building: Besides national stakeholder workshops, consultations and policy seminars, NRLM would support multi-stakeholder forums, ICT-based learning and web-enabled knowledge management systems/platforms for sharing information, experience and innovations in livelihoods. These include –

(a) *developing community resource centres (*centres of excellence) to build community resource persons and extend technical support across states from one community to another;

(b) *strengthening regional and state level resource organizations* with experience in programme implementation at scale, in government and/or civil society sectors, to provide support to the states in social mobilization and livelihoods promotion; and

(c) *augmenting supply of development professionals and building their capacities* through collaborating with academic, research and training institutions

Developing Partnerships for banking and market linkages: NRLM would facilitate strategic partnerships through the states with major commercial banks and Regional Rural Banks for deepening financial access for the rural poor. It would also facilitate Public-Private-Community-Partnerships (PPCP) to support improving production efficiency; developing infrastructure and information services; and building pro-poor market systems.

Supporting States and UTs in roll-out of NRLM: NMMU would provide handholding support in developing 'poverty diagnostics', preparing state perspective plans and annual plans and running pilots. It would support in setting up dedicated support structures at various levels and programme management systems like financial management and procurement. It would support placing professional teams at various levels (NMMU would maintain a panel of accredited HR agencies for this purpose) and inducting and building their capacities.

Support Structures at the State Level

State Rural Livelihoods Mission (SRLM): An SRLM, constituted by State Government, would oversee the implementation of all NRLM related activities in the state. An autonomous body under the State Government, SRLM would be incorporated as a society, trust or company. Its Governing Body (GB) and the Executive Committee (EC)[6] provide guidance and advice in all aspects of planning and implementation. The Governing Body with the Principal Secretary/Secretary, Rural Development as its Member-secretary/Convener, would be chaired, preferably, by the Chief Minister or the Chief Secretary. The Executive Committee would be chaired, preferably, by the Chief Secretary/Development Commissioner with the Principal Secretary, RD as Vice-chairperson and the State Mission Director as convener.

In states, where the State Governments would want to use an existing society as SRLM, its articles of association/bye-laws need to be amended to incorporate NRLM objectives and broaden the membership in the Governing Body on the lines indicated above.

[6] See Annexure 3 for indicative composition of the SRLM Governing Body and Executive Committee

State Mission Management Unit (SMMU): SRLM would implement the NRLM activities in the state through an SMMU, at the state level, headed by a full-time State Mission Director (SMD). The tenure of the SMD would, preferably, be three years. SMD would be a senior officer, preferably who has worked as District Collector already.

The major responsibilities of the SMMU include:

- Lead all NRLM activities in the state;
- Drafting policies and implementation guidelines of the mission at the state level;
- Handholding support to district and sub-district implementation/support structures;
- Ensuring quality implementation of different components/thematic interventions;
- Ensuring proper linkages with the DRDAs;
- Managing convergence and partnerships; and
- Any other function, as required.

Apart from the SMD, multidisciplinary SMMU team would comprise of experts in Social Inclusion, Financial Inclusion, Livelihoods, Programme Management, Programme Support etc., and support staff. These experts, with adequate experience in the relevant thematic area, would be drawn either from the market on contractual basis or from the government organizations on deputation basis, with specific terms of reference. Their placement would be in a phased manner based on requirement. Support staff would be on contract. Based on the need, a senior development professional may be taken from the open market as a second in command (Chief Operating Officer). Further, SMMU would engage thematic experts or empanel reputed resource agencies to support field implementation teams.

States with multiple agencies implementing livelihoods programmes: In some states, there are multiple agencies/departments engaged in activities aligned with NRLM objectives. These include externally aided projects, or the programmes of departments of Women & Child Development, Tribal Affairs, Social Justice and Social Welfare, etc. NRLM presents an opportunity to converge all such initiatives. The guiding principles for convergence include: strengths of existing partners are leveraged; existing social and human capital is not lost; NRLM non-negotiable principles are not compromised; and duplication of effort is avoided. The SRLM would partner with appropriate government organizations and entrust implementation responsibilities to them.

Support Structures at the District Level

District Mission Management Unit (DMMU): The DMMU of the SRLM would be responsible for meeting NRLM objectives and implementing NRLM activities in the district. DMMU, linked suitably with DRDA, would be a facilitating and support unit for field structures. It would interface and forge convergence with District Administration and line departments, banks, NGOs and corporate agencies. A broad-based District Advisory Group/Review and Coordination Committee, chaired by District Collector, that includes representatives of the institutions of the poor and NGOs that work with them in a significant way, would review NRLM activities and provide inputs for improving and developing subsequent plans.

A multidisciplinary DMMU, led by District Mission Manager (DMM), hired from open market on contract or on deputation from Government, includes functional specialists in Social Inclusion, Financial Inclusion, Livelihoods, Capacity Building, Programme Management, Programme Support etc., and support staff, as required. These specialists and staff would be hired in a phased manner, as required, on contract or on deputation.

A Capacity Building cell (CB cell), within DMMU, would be responsible for imparting training to the field implementation units and nurturing the community resource persons from the poor and developing them as trainers. Initially, DMMU staff themselves may be the trainers. As the programme expands, the CB cell would empanel external resource persons.

Support Structures at Sub-district level

The Sub-district level Support Structure is either –

- a Block Mission Management Unit (BMMU) led by a Block Mission Manager (BMM) and consisting of 3-5 spearhead teams; or
- a Project Facilitation Team at cluster (sub-block) level; or
- a combination of both.

The members of sub-district structure(s), including the BMMs, if any, would be recruited from the open market or on deputation.

The principal responsibilities of these sub-district field teams/structure(s) include: mobilizing all poor households into SHG fold; strengthening existing and new SHGs; building SHG federations and other institutions of the poor at various levels; and building capacities of the poor, their institutions, CRPs and other social capital. These institutions, over a period of 2-3 years, would assume the responsibility for sustaining all interventions. These sub-district teams would give way for this and shoulder emerging new responsibilities, with re-training. The sub-district units would take into account the social mobilization and institution building already achieved in the block by NGOs or CSOs or by Government Organizations. The action plan for the block would be based on a systematic diagnosis of the ground situation. The action plan would strengthen the work on ground and plan to cover the uncovered areas.

These teams would promote mechanisms for active collaboration between the Block Administration and the institutions of poor. As capacities increase, gradually, institutions of the poor – SHG Federations – interface and converge with the Block Administration on their own. A Block Review and Coordination Committee, that includes representatives of the institutions of the poor and NGOs that work with them in a significant way, would review NRLM activities in the block and provide inputs for improving subsequent plans.

Human Resources (HR) Policy and Administrative and Financial Rules

HR Policy: NRLM realizes its success is critically linked to the quality and professional competence of dedicated sensitive support structures at various levels and their staff. *The exact staffing pattern(s) at various levels would be based on geography, number of blocks, population spread, implementation strategy and phasing. Each state would make plans/ adjustments accordingly and would have its own HR Policy and Manual, to be revised periodically.* The key elements in HR Policy include staffing, job profiles/competencies, recruitment and selection, transparency, immersion and induction, remunerations, performance management, appraisals and incentives, grievance redressal, staff learning and capacity building, space for HR in various formats and tenures – full-time, part-time, home-based, short-term/long-term, internship, sabbatical, etc., and deployment flexibility etc.

Further, HR Policy should discuss inducting community professionals/CRPs as staff in support structures, without reference to their formal qualifications; changing roles of support structures and staff; and supporting some staff in the institutions of the poor.

Partnerships with NGOs and CSOs should be taken into account while planning HR requirement. Care should be taken to avoid unnecessary duplication.

Staff Learning and Capacity Building: NRLM would allocate dedicated and adequate budget for staff learning and capacity building. A structured system for the purpose would be in place across all levels for integrating Mission learning during implementation.

Administrative & Financial Rules: Being independent implementing agencies, SRLMs would develop and implement administrative and financial rules that facilitate smooth implementation of process intensive NRLM with flexibility for responding diligently to the needs of the community and, for nurturing and retaining the skilled professional staff.

Chapter VII

Monitoring, Evaluation & Learning

NRLM is process intensive and therefore at various levels, it would constantly review, assess and learn from the qualitative and quantitative progress achieved. A robust IT-based Monitoring, Evaluation and Learning (MEL) system would be in place to facilitate learning and continuous improvement and support informed decision making at all levels.

Mechanisms of Monitoring: NRLM would put in place various mechanisms for monitoring -

(i) Accountability in institutions of the poor includes institutional self-monitoring, peer internal audit of processes and local social audit

(ii) Management Information System (MIS) based input-output monitoring includes Results framework-based MIS; Milestones linked to investments/inputs; web-based MIS; real time input-output monitoring at various levels; and MIS with partners' data

(iii) ICT-framework for dedicated digital grid includes national databases of poor, their institutions, and skill development (jobs/self-employment), national livelihoods portal, communication/knowledge dissemination channels, thematic e-groups etc.

(iii) Internal review mechanisms at various levels –
- Monthly/quarterly planning/progress/process reporting and internal review;
- Field visits by staff/officials, Periodic visits of supervision teams from SRLM to districts and field, and Theme specific supervision visits from time-to-time;
- Joint Half-yearly/Annual Review, Planning/Supervision Missions to states;
- Independent Process monitoring;
- Review and Consultation workshops with various stakeholders; and
- Meetings of Executive Committees, Governing Bodies, Advisory Groups/ Committees, Convergence Forums, Coordination Committees at various levels

(iv) External social audit, public expenditure tracking and community score cards

(v) Impact Assessment - state level baseline assessments and external interim impact evaluation studies of progress on key result indicators; independent national assessment of household level well-being through panel studies at periodic intervals (sample would be large enough to enable quantitative assessments up to district levels); and periodic thematic national assessments

(vi) SRLM Annual Reports and NRLM Annual Report

Knowledge Management, Learning and Advocacy: Mechanisms of monitoring discussed above, national rural livelihoods portal, e-communications and learning groups at various levels, national/regional audio-video, radio and television based communications channels/ networks etc., would be the important ways of learning, reaching out and building capacities in NRLM. Apart from engaging the public representatives and PRIs, building their livelihoods appreciation and livelihoods agenda, NRLM would inform them the progress of NRLM in their area/constituency. Further, NRLM would anchor livelihoods policy advocacy in the country.

Chapter VIII

Financial Management

Allocation of Funds to the States

NRLM is a Centrally Sponsored Scheme, implemented in all states & UTs except in Delhi and Chandigarh. The financing of the Mission shall be shared between the Centre and the States/UTs on the following basis:

Sl. No.	States/UTs	Central Share (%)	State Share (%)
1.	North Eastern States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim)	90	10
2.	All Other States	75	25
3.	Union Territories	100	0

Out of the total allocation for NRLM 20% of the allocation will be earmarked for Skill development and placement and innovative projects. Of the remaining 80% of the allocation, 10% will be retained at the Center to be given later to the better performing states as an additional instalment, on demand. Before the commencement of the financial year, each State would get an indicative allocation based on the inter-se incidence of poverty among the States/UTs to enable the states to prepare their plans. The plans would be appraised and approved by the NRLM/ Empowered Committee, and the approved outlay would not exceed the indicative allocation for the State. The appraisal of the states' plans would take into account allocations among various components, which should take into account the initial conditions in the states (degree of social mobilization, extent of financial inclusion, etc.) and priorities in the annual action plan. The Empowered Committee of Ministry of Rural Development would approve the State Action Plan.

Procedure for Release of Funds

All the States are required to transit to NRLM within 12 months of the formal launch of NRLM. SGSY and NRLM would, thus, run in parallel in some states during this period. Accordingly, there would be two streams of funding. In the states that have not complied with the conditions for transit to NRLM , the financial norms & procedure for the release and flow of funds would remain as under SGSY. In the states that have complied with the conditions for the transit to NRLM, the flow of funds from the centre to the states that move into NRLM would be through SRLM. For this, SRLM would open a separate bank account and notify the same to NMMU. SRLM would devolve funds to the districts in accordance with district-wise allotments indicated in the Annual Action Plan.

The release of Central share to the SRLMs would be in two installments -

- The **first instalment** during the months of April-May, subject to the approval of the State Annual Action Plan and the terms and conditions stipulated from time to time;

- The **second instalment** in the months of October-December on the request of SRLM in prescribed pro-forma and on fulfilment of the following conditions:
  - Utilization of at least 60% of the available funds including the opening balance;
  - State Government's contribution during the previous year released (*in case of deficiency therein, Central share would be* reduced *proportionately);*
  - The opening balance of the SRLM should not exceed 10% of the allocation of the previous year (*in case, the opening balance exceeds this limit, the Central share would be proportionally reduced);*
  - Audit Reports, Utilization Certificates for the previous year furnished;
  - Achievement with reference to Annual Action Plan; and
  - Other terms and conditions stipulated at the time of the previous release should have been met.

The amount retained at the centre to be given to better performing states will be allotted to them as additional instalment on the following criteria:

- Expenditure of more than 75% of the total available funds by 31st December
- Request for additional funds over and above the allocation for the year; and
- Performance on key NRLM indicators.

However, the additional amount would not exceed one installment (i.e 50%) of the State allocation. Care would be taken to ensure that poverty states get their due allocation and better performing States get incentive for reaching their poverty reduction targets quickly.

Any balance fund out of the earmarked allocation to the states will be distributed to all the states that have lifted the second instalment, except those states who have already been sanctioned additional funds for better performance. The distribution will be done in proportion to the allocation of the states for the ongoing financial year.

With respect to the states that have not conformed to the NRLM requirements, the funds would continue to flow directly to the DRDAs as per the extant procedures under SGSY.

Eligible Items of Expenditure

The following are the eligible items of expenditure under the State Action Plans:

i) **Institution Building –** Participatory vulnerability assessment**,** formation/ promotion of new SHGs, federations and other collectives

ii) **Training & capacity building –** of institutions of the poor, CRPs, staff and other stakeholders; includes knowledge dissemination, education and advocacy

iii) **Revolving fund and capital subsidy**

iv) **Interest Subsidy**

v) **Infrastructure creation & marketing**

vi) **Skills and Placements projects**

vii) **Administrative cost** – Mission (Programme) management costs including costs of monitoring, evaluation & learning

Fund Tracking System

NRLM would put in place a comprehensive financial management system at SRLM to ensure transparency, efficiency and accountability. NRLM would position an IT-based fund tracking system and promotes e-book keeping in institutions of the poor and in support structures.

All the fiduciary management systems/procedures relevant to Centrally sponsored schemes would, however, be applicable.

Economic Assistance/Financial Norms/Ceilings

1. Formation of SHGs - Rs. 10,000 per SHG to be given to NGOs/CBOs/Community Coordinators/Facilitators/Animators towards group formation and development.
2. Revolving Fund (RF) – As a corpus to SHG with a minimum of Rs. 10,000 to a maximum of Rs. 15,000 per SHG. This is given to all SHGs that have not received RF earlier. SHGs with more than 70% BPL members are eligible for RF.
3. Capital Subsidy (CS) – Capital subsidy ceiling is applicable, both for members of SHGs and individual beneficiaries @Rs. 15,000 per general category and Rs. 20,000 per SC/ST and differently abled category. The maximum amount of subsidy that an SHG is eligible for is Rs. 2.50 lakh. Only BPL members are eligible for individual subsidy, and, only those SHGs with more than 70% BPL members are eligible for the subsidy to SHGs.
4. Capacity building and skills training - Rs. 7,500 per beneficiary – The amount available under this component is used for training and capacity building not only of the beneficiaries but also of all other stakeholders, including programme officers and staff, community professionals, concerned government officials, NGOs, PRI functionaries etc. Expenditure on exposure visits and immersion visits is also be covered under this component. The skill building training here refers to member level training for self-employment and is distinct from the Placement-linked Skills training and the RSETI training.
5. Interest subsidy - Subsidy on interest rate above 7% per annum for all SHG loans availed from banks, based on prompt repayment. Interest subsidy is provided to SHGs for onward transmission to their members till he/she has availed a bank loan up to an amount of Rs 1.00 lakh. It is expected that there will be repeat doses of financing to members in SHGs and this limit of ` 1.0 Lakh is the cumulative loan availed by a member. This subsidy is not available on such occasions when the SHG is availing capital subsidy.
6. One time grant for corpus fund for sustainability and effectiveness of federations –
   - Rs 10,000 for Village/Panchayat level federation
   - Rs 20,000 for Block level federation
   - Rs 100,000 for District level federation
7. Administrative expenses – 5% of the allocation, net of the component relating to skill development & placement and net of the component of RSETIs. This amounts to 5% of Central release to the State and the corresponding State share.

8. Infrastructure and Marketing - Up to 20% (25% in case of north eastern states and Sikkim) of the Central share and the corresponding State share of allocation i.e. the state's programme outlay.
9. Skills and Placement Projects and Innovations (20% of the Central allocation) - Expenditure on innovative projects should not exceed 5%; and the remaining 15% is for placement linked skill development projects. 50% of the allocation for placement linked skill development projects (7.5% of the Central allocation) is retained at the centre for multi-state skill development projects and the balance is allocated to states to implement state specific skill development and placement projects. The States have to add the corresponding state share to the amount released to them.

Chapter IX

Implementation

NRLM would fund states against appraised and approved **annual action plans and state perspective and implementation plans** that outline the results and the processes towards these results. It would review the performance against these plans half-yearly and annually and funds flow to the states would be based on the revised annual plans.

Transition to NRLM

NRLM as a programme builds on the strengths of SGSY and incorporates the learning from the best practices emerging from successful rural livelihoods programmes implemented in several States in the country. The two major strategic shifts under NRLM, vis-à-vis SGSY are:

(i) NRLM is demand driven; and the states formulate their own livelihoods-based poverty reduction action plans based on their situation/context.

(ii) NRLM provides for a professional support structure for programme implementation from the State level to the sub-district level.

It would be implemented in a phased manner and the states would cover all the districts over a period of 5-7 years.

All States/UTs transit to NRLM within a period of one year from the date of formal launch of NRLM. Further funding under SGSY ceases thereafter.

Initial steps in Transiting

- Designating a Nodal Officer for transiting to NRLM. The Commissioner/Director responsible for SGSY in the state would normally be the Nodal officer; In States/UTs where a dedicated Society is already in existence, its State CEO/SPD [State Project Director] would be designated by the State as the nodal officer;
- Constituting a multidisciplinary core team for supporting preparatory work for transiting to NRLM; Members of the team would be drawn from Government, banks, CSOs, academia etc. The areas of competence in team may include - Social Inclusion, Financial Inclusion, Livelihoods, Human Resources, Programme Management etc.;
- Establishing SRLM as an autonomous body, and appointing State Mission Director, from State Government; Positioning SMMU and deploying staff into SMMU;
- Technical Assistance, if required, from NRLM/NMMU for facilitating preparatory work; This Technical Assistance would be for -
    - Exposure visit(s) to best practices in other states;
    - Setting up SRLM/SMMU;
    - Developing Initial Annual Action Plan (IAAP);
    - Situation Analysis and stakeholders' consultations; Strategy workshops;
    - HR Policy and recruitment; Induction and Capacity Building of Key Staff;
    - Formulating State Perspective and Implementation Plan (SPIP)

- Submitting IAAP and/or SPIP to NRLM/MoRD for appraisal and approval.

In order to transit successfully to NRLM, a state is required to set up an autonomous SRLM, place required and inducted/trained staff at state, district and sub-district levels for taking up NRLM activities in the first phase districts and blocks, and prepare and submit an initial action plan for the first year and/or SPIP with first Annual Action Plan. On its appraisal and approval by NRLM/MoRD, the state would formally transit to NRLM through a Memorandum of Understanding (MoU) between NRLM/NMMU and SRLM. SPIP, to be submitted subsequently, would automatically be considered as part of the MoU.

Planning for NRLM Implementation

SMMU would prepare SPIP consolidating all District Action Plans and incorporating SMMU action plan. SMMU would submit SPIP, duly approved by its Governing Body, to NRLM/ MoRD for appraisal and approval. Depending on the readiness of the state, this may take time up to 6-12 months from the formal launch of NRLM. In the mean time, the state would submit the initial annual action plan for the first year, by 31 December.

Initial Annual Action Plan (IAAP): IAAP for the first year is a simple plan of action for one year. It would articulate the implementation support structures in place. Based on the broad indication of resource availability to the State in the year, each SRLM would undertake a prioritization exercise and prepare IAAP (if they have not submitted SPIP). The key elements in IAAP include -

- Background and Details of SRLM and SMMU
- Selected Districts and Blocks for implementation selected using objective and transparent phasing logic and their details
- Phasing planned and Key Results of Mobilization and Linkages - households, SHGs, institutions, villages, clusters, blocks, districts
- Staffing; Staff Induction and Capacity Building Plan
- CRP Strategy and Capacity Building in institutions, HR in institutions, Procurement
- Plans for IT, MIS, Communications, Convergence and Partnerships
- Technical Assistance/Support Plan
- Plan for Studies/Approach Papers, Situational Analysis, Consultations/Workshops
- Plan for formulating 5-6 year SPIP
- Activity Timeline; Activity-Time-Cost-Responsibility Matrix
- Budget

This IAAP would be appraised and approved, like any other Annual Action Plan from the state. Releases would be made according to the approved IAAP.

Phasing

To be driven by the poor themselves, NRLM needs to develop social capital of the poor. This would take some time in the initial years, but multiply rapidly later. Availability of professional staff would also be limited initially. It would also be important that quality and effectiveness of the interventions is not diluted. Therefore, the state is expected to cover all the districts and blocks in the state in a phased manner, over 5 to 7 years. The state would need to identify districts and blocks for each of the phases and develop a clear roll-out plan. The broad criteria for the selection of initial intensive districts and blocks by the States include – (i) Each phase having representation of different socio-economic regions of the State; (ii) Poverty districts/blocks first; and (iii) Districts/blocks with SHGs and livelihoods programmes running successfully and high social capital first.

The PURA (Provision of Urban Amenities in Rural Areas) clusters would be covered under intensive approach.

States (like Andhra Pradesh and Kerala) that are already implementing NRLM processes on a state-wide basis transit right-away into state-wide NRLM. Each of these states would submit SPIP and Annual Action Plans covering the entire state for appraisal and approval. States like Tamil Nadu, Madhya Pradesh, Bihar, Orissa, Meghalaya, Assam & Manipur are already implementing large rural livelihoods programme funded by multilateral and bilateral agencies. Similarly Rajasthan and North Eastern States of Nagaland, Mizoram, Tripura and Sikkim are commencing rural livelihoods projects funded by multilateral agencies. The action plan pf all these states should reflect the status of the ongoing rural livelihoods programme and the synergies planned between NRLM and the ongoing programmes.

In districts and blocks not selected for NRLM, the guidelines for non-intensive blocks would be applicable. The state would work out separate action plans for intensive and non-intensive blocks to arrive at the consolidated plan for the state.

The blocks that are taken up for NRLM implementation, 'intensive blocks', would have access to a full complement of trained professional staff and cover a whole range of activities of universal and intense social inclusion, financial inclusion, livelihoods, partnerships etc. The 'intensive blocks' have a whole range of activities. These include:

i. Saturated mobilization of all identified BPL households in every village of the block[7];

ii. Promotion of institutions of the poor – SHGs and their primary federations;

iii. Creating and strengthening large base of social capital or community professionals;

iv. Revolving fund to the SHGs;

v. Capital Subsidy to primary federations for supporting one or more of the following -

  - Safety nets and small grants to poorest;
  - On-lending to SHGs against their MIPs;
  - Health Risk Fund to complement health savings;
  - Food and nutrition security;
  - Performance of services like grassroots planning, technology dissemination etc.

vi. Bank finance to SHGs and primary federations for financing MIPs;

vii. Activities in select pro-poor livelihoods like agriculture, livestock, non-farm, skills -

  - Specialized livelihood institutions and producer collectives;

[7] Saturation approach entails coverage of all poor and vulnerable households in all villages in the block.

- Productivity enhancement initiatives and community extension models;
- Small scale productive infrastructure and local value addition;
- Collective inputs purchase and collective marketing;
- Cost reduction of inputs and consumption items; etc.

viii. Public-Private-Community-Partnerships for last mile service delivery of entitlements, public services and livelihoods support services

However, in the remaining blocks, 'non-intensive blocks', with limited staff in PRIs, NGOs and/or DRDAs, the activities would be limited in scope and intensity -

i. Strengthening existing SHGs and forming new affinity-based SHGs of BPL women;
ii. Capacity Building and Training to SHGs and SHG Leaders;
iii. Providing revolving fund to SHGs;
iv. Providing Capital Subsidy to SHGs with link to bank finance; and
v. Linkages with mainstream institutions including existing local level livelihood initiatives like watersheds, dairy, etc.

However, RSETIs' self-employment/enterprise development and skill development/ placement would be present in all districts across both intensive and non-intensive blocks.

Situation Analysis – Current Reality Assessment

One of the first and important elements in preparing SPIP is Situational Analysis – Current Reality Assessment/Poverty Diagnostics of the poor, using secondary data, sample participatory assessments and quick studies. *See Elements in Situational Analysis in Template 1, Annexure 4*.

This would culminate in a Stakeholders' Consultations/Sharing Workshop with Community Leaders, Civil Society, Bankers and Government Departments discussing and fine-tuning draft set of strategies based on NRLM core guiding principles and the Situation Analysis.

State Perspective and Implementation Plan (SPIP) and Annual Action Plan

SPIP is a long-term (5-7 year) plan for reducing poverty comprehensively in the state, outlining the results, core strategies and key activities in a phased manner. It is a dynamic document subject to regular and periodic modifications based on the learning/feedback from the progress of program implementation. Apart from results, strategies and activities, it also articulates the implementation arrangements and financial resources for achieving these results in a phased and time-bound manner.

Each SRLM would undertake a prioritization exercise and prepares draft SPIP. *See Annexure 4, Template 2 for Key Elements in SPIP*.

To facilitate this process, the parameters for allocation of resources would be shared at the earliest. Final state-approved SPIP would be submitted to NRLM/MoRD.

Appraisal of SPIP and Annual Action Plan

NRLM/NMMU, on receipt of SPIP, would screen (specifically constituted screening team) it initially through a desk-appraisal for compliance on the checklist and readiness in the context of poverty situation in the state and broad priorities and outcomes for NRLM.

If satisfied, NRLM would field a multidisciplinary Joint Appraisal Mission[8]. Appraisal Mission would use a range of methodologies including Visits to field locations, Participatory Assessments, High Level Meetings and Discussions with Key Officials and State Level Multi-stakeholder Workshop(s) to review and refine SPIP. It would specifically assess and agree with SRLM, phasing, strategies and results; staffing, implementation capacity of units at various levels and timeline; partnership arrangements with government departments, banks, NGOs, people's institutions etc.; and administrative and fiduciary arrangements.

Based on the agreed actions with the Appraisal Mission, SRLM would submit its revised SPIP and Annual Action Plan. TSC/Appraisal Mission would review the revised SPIP and Annual Plans and prepare an appraisal document for approval of SPIP. For the subsequent years, the TSC would appraise the Annual Action Plans in the context of SPIP and the feedback provided by supervision missions, concurrent evaluation studies, and the minimum quantitative/ qualitative performance criteria laid down from time to time.

Approval of SPIP and Annual Action Plan

MoRD/NRLM Empowered Committee would consider the final revised plan after appraisal, together with appraisal document, for approval. SMD and/or State Secretary, RD would make the presentation, during this process. Considering all aspects, including allocation available to the state as per the allocation formula, the Committee would give its final approval, with appropriate modifications and allocate resources as per this finally approved SPIP, agreed results and Annual Action Plan. NRLM/NMMU and SRLM/SMMU, then, would enter into an MoU or sign an addendum to MoU, to include SPIP into it. NRLM/NMMU would ensure completion of the approval exercise by 15 March of the fiscal year in which SPIP is submitted.

Then, NRLM/NMMU would seek SRLM's Implementation Readiness – Fully Inducted Team; HR Policy and Manual; Administrative & Financial Rules; Partners identified and Framework(s) for Partnerships; and Operational Manual. On satisfied with SRLM's readiness, NRLM/NMMU would release the first of the two tranches in a year (i.e.50% of the annual allocation) into the SRLM Special Bank Account and SRLM would formally launch the SPIP.

Subsequent Annual Plans and Tranches

As SPIP implementation progresses, subsequent tranches would be subject to the half-yearly reviews, annual reviews and plans, and utilization of the previous tranche(s) released and the balance funds available. Half Yearly Review Missions would review implementation

[8] Guidance notes on appraisal processes/methodologies and role of appraisal missions available separately (at least 80% in three years)

against the plan (Annual Plan and SPIP) and the minimum quantitative/qualitative performance criteria laid down by NRLM, from time-to-time.

Based on the broad indication of resource availability to the State in a particular year, SRLM would undertake a prioritization exercise and prepare Annual Action Plan dovetailing from SPIP. The state-approved Annual Action Plan[9] and the rolling plan for the coming three years have to reach NRLM/NMMU on or before 15 December every year. *See Annexure 4, Template 3 for Elements in Annual Action Plan.*

Annual Review and Planning Mission would review these plans for the coming year and for the coming three years. The Review and Planning Mission would be guided by the feedback of the previous missions and other studies, its own review of the performance so far, and the funds available as per agreed allocation parameters or otherwise and prioritization. Accordingly, it would make its recommendation. In the light of this recommendation, Empowered Committee would consider these plans [revised, if suggested by the Review and Planning Mission], and accord approval. The releases would flow accordingly.

NRLM/NMMU would ensure completion of approval exercise by 15 March, every year.

[9] See Template3, Annexure 4 for Annual Action Plan: Key Elements

Annexure 1

Central Level Coordination Committee - Composition

1.	Secretary, MoRD	Chairperson
2.	Secretary, Dept of Financial Services, Ministry of Finance	Member*
3.	Deputy Governor, Reserve Bank of India	Member
4.	Secretary, Department of Agriculture & Cooperation	Member*
5.	Secretary, Department of Expenditure	Member*
6.	Secretary, Department of Women and Child Development	Member*
7.	Secretary, Department of Small Scale & Agro-related Industries	Member*
8.	Secretary, Ministry of Social Justice and Empowerment	Member*
9.	Secretary, Ministry of Tribal Welfare	Member*
10.	Chairman, NABARD	Member
11.	Adviser (Rural Development), Planning Commission	Member
12.	Additional Secretary & Financial Adviser, MoRD	Member
13.	State Secretaries of Rural Development	Members
14.	Chairman-cum-Managing Director of all commercial banks	Member
15.	Director General CAPART	Member
16.	Director General, NIRD	Member
17.	Chairman, Indian Banks Association	Member
18.	Representatives of NGOs, nominated by MoRD	Members
19.	Representatives of Institutions of the Poor, nominated by MoRD	Members
20.	Mission Director/Joint Secretary (NRLM) –	Member-Secretary

* If the members are not able to participate in the meeting, nominee should not be below the rank of Joint Secretary

MoRD would nominate the representatives following a due process. Other officials/non-officials may be invited to the meetings of this Committee whenever their presence is felt necessary.

Annexure 2

NRLM Advisory, Coordination and Empowered Committees

NRLM Advisory Committee (NRLM-AC)

i.	Minister of Rural Development, Government of India	Chairperson
ii.	Ministers	Member(s)
iii.	Secretaries	Member(s)
iv.	Representatives from State Governments	Member(s)
v.	Representatives – Training/Academic institutes	Member(s)
vi.	Representative Corporate Sector/Industry Associations	Member
vii.	Representatives of RBI, NABARD	Member(s)
viii.	DG – NIRD, CAPART etc.	Member(s)
ix.	Experts (RD)/NGOs (3)	Member
x.	Representatives of SHG members/federations	Member
xi.	Secretary, Rural Development, Government of India	Convener
xii.	Mission Director, NRLM	Co-convener

NRLM Coordination Committee

i.	Secretary, Rural Development, MoRD	Chairperson
ii.	Adviser (Rural Development), Planning Commission	Member
iii.	Additional Secretary & Financial Advisor, MoRD	Member
iv.	Director General – NIRD	Member
v.	Principal Secretaries, RD from States (3)	Members
vi.	Poverty and Rural Development Experts/Bankers	Members
vii.	Mission Director (NRLM)	Member-Convener

NRLM Empowered Committee

i.	Secretary, Rural Development, MoRD	Chairperson
ii.	Additional Secretary & Financial Advisor, MoRD	Member
iii.	Principal Secretaries, RD from States	Invitees
iv.	Poverty and Rural Development Experts/Bankers	Invitees
v.	Mission Director (NRLM)	Member-Convener

Project Screening and Approval Committees:
Innovative Livelihoods Projects and Multi-state Skills and Placement Projects

a. Project Screening Committee:

i.	Mission Director, NRLM	Chairperson
ii.	Director/Dy.Adviser (RD), Planning Commission	Member
iii.	Director/Deputy Secretary (IFD), MoRD	Member
iv.	Special Invitees (Livelihoods/Innovation/Banking Experts)	Member
v.	Director/Deputy Secretary/Joint Director concerned	Convener

b. Project Approval Committee

i.	Secretary, MoRD	Chairperson
ii.	Adviser (Rural Development), Planning Commission	Member
iii.	Additional Secretary & Financial Advisor, MoRD	Member
iv.	Director General – CAPART	Member
v.	Special Invitees (Rural Development Experts/Bankers)	Member
vi.	Chief Executive of NSDC	Member

vii.	Mission Director (NRLM)	Member-Convener

Annexure 3

SRLM State Society:
Indicative Composition of Governing Body and Executive Committee

Governing Body

The indicative composition of the Governing body may be as follows:

• Chief Minister or Chief Secretary	-	Chairperson
• Ministers/Secretaries of Agriculture, Panchayat Raj, AHD, SC/ST, Industry, Labour, Education, Health, WCD, SW, Institutional Finance	-	Member(s)
• Representative from MoRD, GOI	-	Member
• Representative from Training institutes, Corporate Sector, Academic institutions	-	Member
• State level Representative(s) of RBI, NABARD, Convener SLBC	-	Member(s)
• Experts (RD)/NGOs (3)	-	Member
• Representatives of SHG members/federations	-	Member
• Principal Secretary/Secretary (RD)	-	Convener
• State Mission Director (SRLM)	-	Co-Convener

The Executive Committee

The indicative composition of the Executive Committee may be as follows:

• Chief Secretary/Development Commissioner	-	Chairperson
• Principal Secretary (RD)	-	Vice-chairperson
• Commissioner/Directors – Agriculture, Rural Development Panchayat Raj, Animal Husbandry, Industry, Labour, Education, Health, Women and Child Development, Social Welfare, Tribal Welfare etc.	-	Members
• State level Representative(s) of NABARD/RBI/SLBC convener	-	Member(s)
• Industries Associations	-	Member
• Representative of SHG Federation	-	Member
• State Mission Director (SRLM)	-	Convener

Annexure 4

Template 1: Elements in Situational Analysis

The elements in Situational Analysis may include:

- Demographic details within the poor (district-wise, block-wise, cluster-wise) - Rural households, BPL families, Social classification, proportion of vulnerable groups [S]
- Food and Nutrition Security situation [S&P]
- Poverty as perceived by the Poor [P]
- Per Capita Income of the Poor [S]
- Social Mobilization/Groups/Institutions Situation, Organized Poor, Left out Poor [S&P]
- Credit Situation, , Current formal credit availability per capita, bank accessibility [S]
- Vulnerability Mapping/Analysis, Situation of Vulnerable Groups like SCs, STs including PVTGs, Minorities, Disabled, Single Women, HIV/AIDS infected, Old destitute etc., Disaster-prone [S&P]
- Entitlements, coverage [S]
- Existing Programmes in Government, coverage, performance [S&P]
- Resource endowments of the poor including land, water, common properties, livestock [S]
- Livelihoods Mapping - Livelihoods of the poor (numbers, days of employment, seasonality etc.) [S]
- Poor and Collectives, Cooperatives (S - Arjun Sengupta's Report)
- Employment continuum – wage, job, self-employment; unemployed, under-employed, skills in demand, skill mapping [S]
- Organized and unorganized enterprises [S]
- Migration data [S&P]
- Environmental Situation – coastal, dryland, hilly regions, tank cascades, mines, forests, grazing lands, bio-diversity, flora and fauna, NTFP[S]
- Civil Society engagement with communities, examples, practices and their capacity [P]
- Corporate Social Responsibility (CSR) situation and Business Partnerships [P]
- Existing best practices that have the potential for replication [S&P]

S: Secondary Data; P: Primary Data

Template 2: State Perspective and Implementation Plan - Key Elements

- Generic Profile of the state
- Summary of Situational Analysis – Poverty/Social/Livelihoods Profile and description of key livelihoods of the poor etc., Efforts to reduce poverty in the state (so far) - (Details in Annexure)
- Poverty Reduction and Livelihoods Enhancement Strategy of the State, if any
- Lessons learnt so far from the efforts in the state including those of the civil society and other states
- Map of the state with districts (and blocks) showing poverty intensity
- Summary of the Project Perspective and Implementation Plan
- Vision, Mission, Values, Core Principles, Non-negotiables
- Strategies – Social Inclusion, Mobilization, Institutions; Credit, Financial Inclusion; Livelihoods, Market Linkages; Employment etc.
- Results by 7 years -
  Coverage; mobilization; linkages; households out of poverty; increased income per household (average); security(ies) achieved; risks addressed; self-managed institutions and their performance

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- Model of Poverty Reduction and Livelihoods Enhancement
- Implementation Strategy and Phasing
  - Districts, Blocks, Clusters for - Intensive and Non-intensive
  - Phasing of Districts, Blocks, GPs, Villages, including the logic/rationale of phasing;
  - Components/Sub-components (Objective, Results, Activities, sub-activities, processes, costs and resources, phasing specific to components, if any) –
    - ✓ Universal Institutions; Capacities - Strategy to deal with existing SHGs and SHG Federations; diagnostic assessment of the institutions and support
    - ✓ Funds – Financial Support, Inclusion (One-time grants, Capitalization of Community Institutions, recurring subsidies, allocation formula etc.); Safety Nets; Health, Nutrition and Risk Funds; Food Security Funds; Social Development Funds
    - ✓ Special Livelihoods Institutions/Support (Community Livelihoods Analysis and Planning, Formation of Livelihoods Organizations, Infrastructure, Capitalization, Skill Development, Business Incubation, Working Capital, Linkages, Market Intelligence and Development, Funding Support)
    - ✓ Human Resources; Innovations (creating models) and Incubation Fund; Project Management; Technical Support Envisaged
  - Phasing (Thematic), including the logic/rationale of phasing
  - Year-wise and Component-wise Results with indicators
  - Activity Timeline with Units
- Progress/Cycle of a few typical
  - households, SHGs, institutions, villages, clusters, blocks, districts, state
- Mission Structures; People's Institutional Structures

<table>
<tr><td>
Human Resources (identification, induction, capacity building)

in the community institutions (leaders, staff, community professionals, volunteers, CRPs)
in the mission structures (levels, specializations, teams) and
outside (as part of convergence and partnerships, pools of resource persons/resource groups)
HR Policy, Plan and Manual
Capacity Building Plan for Community and Mission Support Structures

</td></tr>
<tr><td>
Communications (IEC) Plan – with various stakeholders including the communities,
Management Information System – Database, Transaction-based MIS; e-book keeping; Monitoring and Learning - Baseline – Mid-term – Endline; Process Monitoring; Participatory Monitoring and Learning Mechanisms; etc.
Transparency, Accountability, Social Audit
</td></tr>
<tr><td>
Procurement Arrangements and Plan, including community procurement
Convergence - players, programmes, schemes, linkages, partnerships (NGOs, Banks, Institutions of the Poor, PRI, resource organizations)
Partnerships with existing programmes, existing people’s institutions, civil society, corporate and business organizations
</td></tr>
<tr><td>
Social Assessment and Safeguards and Pro-active Action Plan – Vulnerability Special Plans - Gender, Disabled, Dalit, Tribal and Minority Situation-based Plans; Special Implementation Arrangements meeting their special needs
Environment (including culture, bio-diversity etc.) Safeguard Policies and Pro-active action
</td></tr>
<tr><td>
Technical Support/Assistance (from NRLM) Plan
</td></tr>
<tr><td>
Planning, Review and Re-planning Processes – bottom-up and consolidation
</td></tr>
<tr><td>
Financial Management – in the community institutions and mission structures

Approval Processes, Delegation of Powers
Funds Flows, Triggers for release to institutions
Accounting, Books of accounts, Computerization/e-book keeping
Internal Audit, Statutory Audit, Social Audit
Financial Reporting and Annual Accounts
Activity-based and Results-based Costing

Budget (year-wise, component-wise, source-wise), Sources of Funds
</td></tr>
<tr><td>
First year (or 18 months) – month-wise, component-wise

Quarterly Outputs
Detailed Activities with timeline to be implemented during the year
Activity-Time-Cost-Responsibility Matrix
PERT Chart of activities/MS Project Activity Chart
Procurement Plan, HR Plan, Capacity Building Plan, Technical Support Plan

Second Year – quarter-wise
Thereafter – year-wise
</td></tr>
<tr><td>
Glossary of Terms, Abbreviations etc.
</td></tr>
</table>

Template 3: Annual Action Plan - Key Elements

• Background • Summary of the Project Perspective and Implementation Plan [including Results Framework by 5-6 years]
▪ Progress against the Perspective Plan and against the previous year's plan, overall and component-wise ▪ Performance on Progress/Cycle of a few typical   – households, SHGs, institutions, villages, clusters, blocks, districts, state • Compliance on previous review's aide-memoires

• 3-year Rolling Plan/Annual Plan
    o Identifying Poor
    o Mobilization
    o Institutions – SHGs, First/Second/Third/Fourth Tier Federations
    o Vulnerability Special Plans - Gender, Disabled, Dalit, Tribal and Minority Situation-based Plans
    o Human Resources, Staffing in institutions
    o Capacity Building in institutions
    o Capacity Building of HR in institutions
    o Second Generation Collectives
    o Financial Inclusion and Bank Linkages
    o Livelihoods Inclusion and Market Linkages
    o Mission HR Plan, Mission HR Capacity Building
    o Communications Plan
    o Procurement Plan
    o Environment Pro-active Plans
    o Convergence and Partnerships Plans
    o Technical Assistance/Support Plan
    o Studies/Approach Papers
    o Technology Plan

o Activity Timeline with Units; Activity-Time-Cost-Responsibility Matrix
o Budget (year-wise, component-wise, source-wise), Sources of Funds

Glossary, Short names and Abbreviations used

Advisory Committee (AC):- A policy making Committee at the national level consisting of eminent persons representing CSOs, financial institutions, industry associations, academicians, poverty and development experts and others

AHD: Department of Animal Husbandry

APMARKFED:- Andhra Pradesh State Cooperative Marketing Federation Limited

Bank Mitras: A **c**ustomer relationship manager, who is either an SHG member or from the community and is placed in local banks and plays the role of community facilitators.

Below Poverty Line (BPL): Rural population living Below Poverty Line as per approved list of GoI

Block Programme Management Unit (BPMU):- A block level unit for overseeing implementation of NRLM in the block

Bridge Financing: - Financial intermediation by the primary federations to attract mainstream financing for SHGs

CAPART:- Council for Advancement of People's Action and Rural Technology

CBO:- Community Based Organization

Coordination Committee (CC):- A Committee under the Chairmanship of Secretary, Ministry of Rural Development, GoI to oversee the activities of the Mission

CEO ZP: Chief Executive Officer of a Zila Panchayat.

Chief Executive Officer (CEO) : - Chief Executive Officer of the SRLM as appointed by the State Government.

Community Investment Fund (CIF): - A fund to help poor households meet their demand for improved access to credit for investment needs.

Community facilitator:- Person from the community trained to form and handhold SHGs and their federation

Community Resource Person (CRP): shall mean best practitioners and role models from among the members of Self Help Groups and their service providers

CS:- Capital Subsidy

CSO: Civil Society Organization

CSP: Community Service Provider

CSR:- Corporate Social Responsibility

DCBO: - District Capacity Building Organization.

Demand Driven Strategy:- States to formulate their own action plans for poverty reduction.

DLRC:- District Level Review Committee

DPMU: - shall mean the District Project Management Unit responsible for implementing the Mission's programmes in the district as per the guidelines

District Rural Development Agency (DRDA):- A registered society registered under a Societies Registration Act or a district cell in the Zilla Parishad having a separate identity to oversee the implementation of different anti-poverty programmes

EOI:- Expresssion of Interest

Federation of SHGs:- An aggregation of 5 to 20 SHGs. Primary federations will usually be at village level, 2nd level federation at block or cluster of villages level and district level federation at the district level with the federation at each level having its own purpose, functionality and identity

GoI: - Government of India.

GP: - shall mean the Gram Panchayat.

Gram Sabha: - as defined by the Panchayat Act.

HIV:- Human Immunodeficiency Virus
HR Policy: Human Resource Policy for putting in place a professional institutional structure at various levels to implement the Mission objectives
HRD: - Human Resource Development
ICT:- Information , Communication & Technology
IFD:- Integrated Finance Division
ITDA:- Integrated Tribal Development Agency
KSAV:- knowledge, skills, attitude and values
KVIC: Khadi & Village Industry Commission
KYC:-Know Your Customer
Mahatma Gandhi National Rural Employment Gurantee Scheme (MGNREGS):- A Scheme under an Act notified on Sept.7, 2005 to enhance livelihood security in rural areas by providing at least 100 days of guranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.
M/o SW:- Ministry of Social Welfare
Micro Investment Plans (MIPs): A simple list of investments that members would like to make with the financial support of their Self Help Group
MIS: Management Information System
Mission:- NRLM at the centre and SRLM at the State level
MoRD:- Ministry of Rural Development, Government of India
MSME: - Ministry of Micro, Small and Medium Enterprises
NABARD:- National Bank for Agriculture and Rural Development
NGO: - Non-Governmental Organization.
NIRD: National Institute of Rural Development
National Mission Management Unit (NMMU):- The national level unit comprising of multi disciplinary team of experts
NSDC: National Skill Development Corporation
NTFP:- Non Timber Forest Produce
Officers and Staff: - shall mean all whole time and part time employees of the Society or Project duly appointed by any authority or officer, duly empowered to do so, and would include consultants, fellow and research staff, if any.
Officers of the Society: - shall mean all post holders of the Society.
Project Approval Committee (PAC): The Committee to consider terms and conditions governing assistance to the Special Projects
PD(DRDA)- shall mean the Project Director of District Rural Development Authority
PDS:- Public Distribution System
Programme Evaluation and Review Technique (PERT):- shall mean a network model that allows for randomness in activity completion times consisting of steps like (i) identifying the specific activities and milestones, (ii) determining the proper sequencing of the activities , (iii) constructing a network diagram, (iv) estimating the time required for each activity, (v) determining the critical path and (vi) updating the PERT Chart as the Project progresses
PF:- Provident Fund
PFT: - Project Facilitation Team at sub cluster level.
PHC:- Primary Health Centre
Participatory Identification of Poor (PIP):- shall mean a methodology for Identification of poor that helps to identify and list very poor, poor, differently abled, vulnerable, tribal, chronically ill patients, nomads and other marginalized communities in the project village.
PO:- Project Officer

PPCP:- Public-Private-Community Partnership

PPP:- Public Private Partnership

PPPP:- Public-Private-People's-Partnerships

PPs: means Panchasutra Principles consisting of five good group management practices i.e. regular meetings, regular savings, regular inter-loaning, timely repayment of loans and up-to-date books of accounts.

PRI:- Panchayati Raj Institutions

Project Screening Committee (PSC): - A Committee at the Central level to examine the Special Projects

PVTG: - Particularly Vulnerable Tribal Group

RBI:- Reserve Bank of India

RF:- Revolving Fund

Rural Self-Employment Training Institutes (RSETIs): to be set up by banks in each district of the country for providing skill training for the rural BPL youths

Self Help Group (SHG): - A group of 5-20 primarily rural BPL women who have come together for collective action for their social and economic development

SMD:- State Mission Director

SMMU /SRLM:- State Mission Management Unit /State Rural Livelihoods Mission

State Project Management Unit (SPMU): - shall mean the State Project Unit who is responsible for Project Administration.

Technical Advisory Group (TAG):- A body at the national Level, which will coordinate the appraisal missions to the states

TFI:- Total Financial Inclusion

The Project:-means National Rural Livelihoods Mission.

UT:- Union Territory

VDC/VO: - shall mean the Village Development Committee/Village Organisation at the village level.

VPRC:- Village Poverty Reduction Committee

WCD:- Ministry of Women and Child Development

Zila Panchayat Sub Committee (ZPSC): - shall mean a Sub Committee of the Zila Panchayat, notified by Government

Where the poor participate as subjects and not as objects of the development process, it is possible to generate growth, human development and equity, not as mutually exclusive trade-offs but as complementary elements in the same process

--- Meeting the challenge*, Report of the Independent South Asian Commission on Poverty alleviation, 1992*

REVISED OPERATIONAL GUIDELINES OF THE SCHEME FOR COLD CHAIN, VALUE ADDITION AND PRESERVATION INFRASTRUCTURE DURING THE BALANCE PERIOD OF 12TH FIVE YEAR PLAN (AUGUST, 2014 TO MARCH, 2017)

1. Background

The Scheme for Cold Chain, Value Addition and Preservation Infrastructure was launched during 2008 and the guidelines were notified on 18.03.2010. Based on extensive feedback and consultations with stakeholders, the scheme guidelines were modified w.e.f. 20.11.2013 for the purpose of smooth implementation and to achieve the objective of the scheme. The guidelines are further revised and simplified. These revised guidelines will be applicable to Expression of Interest (EOI) issued by the Ministry after 8th August 2014.

2. Objective

The objective of the scheme is to provide integrated cold chain and preservation infrastructure facilities without any break, from the farm gate to the consumer. To achieve this objective pre-cooling facilities at production sites, reefer vans and mobile cooling units are also assisted under the Integrated Cold Chain projects. Integrated cold chain and preservation infrastructure can be set up by individuals, groups of entrepreneurs, cooperative societies, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc. with business interest in cold chain solutions and also by those who manage supply chain. This will enable linking groups of producers to processors and market through well equipped supply chain and cold chain.

3. Components of the Scheme

3.1 The scope of components of Cold Chain, Value Addition and Preservation Infrastructure has been broadened to allow flexibility in project planning. The Scheme will now have the following components:

a. Minimal Processing Centre at the farm level. This centre may have facilities for weighing, sorting, grading, waxing, packing, pre-cooling, Controlled Atmosphere (CA)/ Modified Atmosphere (MA) cold storage, normal storage, Ripening Chamber and Individual Quick Freezing (IQF) etc.

b. Mobile pre-cooling vans and reefer trucks.

c. Distribution hubs with multi product and multi CA /MA chambers cold storage /Variable Humidity Chambers, Packing facility, grading and sorting facility, CIP Fog treatment, Ripening Chambers, IQF and Blast Freezing etc.

d. Irradiation facility.

To avail financial assistance under this scheme, any two of the components, from (a), (b) and (c) above will have to be set-up by the units. Considering the functional nature of the facility, Irradiation facility will be treated as a stand alone project for the purpose of availing grant.

3.2 To provide integrated and complete cold chain facilities without any break from the farm gate to the consumer, pre-cooling facilities at production sites, reefer vans and mobile cooling units have been covered under the Integrated Cold Chain projects. Stand alone facilities, except irradiation facility will not be considered for assistance.

3.3 Both horticultural and non horticultural produce are eligible for support under this scheme.

3.4 Value addition centres may also include infrastructural facilities including minimal processing, sorting, grading, waxing, packing, retail outlets, collection centres, etc. for horticultural and non-horticultural produce including organic produce.

3.5 Irradiation facilities may also cover warehousing, cold storage facilities, grading and sorting facilities, reefer vans etc. for storage and transportation of raw material and finished products for efficient utilization of the facility.

4. Pattern of assistance

Financial assistance will be provided @ 50% of the total cost of plant & machinery and technical civil works in general areas and 75% for NE region and difficult areas (North Eastern states, Sikkim, J&K, Himachal Pradesh and Uttarakhand) subject to a maximum grant-in-aid of Rs 10 Crore.

5. Pattern of release of grant:

5.1 The grant-in-aid will be released based on the investment of promoter's contribution/ term loan on the project as per the following schedule:

a) 1st installment of 25% of the approved grant under the scheme will be released after ensuring that 25% of the promoters' contribution and 25% of the term loan have been spent on the project. The applicant will submit the following documents along with the request for 1st Installment within 9 months (12 months in case of difficult areas) from the date of issue of the approval letter:-

*i. Duly notarized surety bond – To be executed by the beneficiary company on Non Judicial stamp paper of not less than Rs. 100/- (**Appendix-I**).*

ii. *Sanction letter of term loan from Bank / FIs, if not already submitted with the application form.*

iii. *Bank certificate certifying that they have released 25% of term loan and have no objection on release of 1st installment of grant* ***(Annexure I).***

iv. *Chartered Accountant (C.A.) certificate for actual expenditure incurred on the project showing the means of finances and 25% utilization of promoters' contribution, 25% of term loan (**Annexure-II**).*

v. *Certificate of the Chartered Engineer (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality in support of the details given in CA certificate.*

vi. *Certificate of the Chartered Engineer (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality in support of the details given in CA certificate.*

vii. *Site inspection to ascertain the physical progress of the project.*

viii. *Any other condition which may be specified from time-to-time.*

b) 2nd installment of 50% of the approved grant under the scheme will be released after ensuring that utilization of first installment of grant and 75% of promoters' contribution and 75% of term loan have been spent on the project. The applicant will submit the following documents along with the request for the 2nd Installment:

i. *Utilization Certificate –Duly certified by the C.A. and countersigned by the promoter(s) of the beneficiary company (**Annexure-III**).*

ii. *Chartered Accountant Certificate for actual expenditure incurred on the project showing the means of finances and 75% utilization of promoters' contribution,75% of term loan and 1st installment of released grant (**Annexure-II**).*

iii. *Bank Certificate – certifying that they have released 75% of term loan and 1st installment of grant and they have no objection in releasing 2nd installment of grant being released by the Ministry (**Annexure I).***

iv. *Certificate of the C.E. (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality in support of the details given in CA certificate.*

v. *Certificate of the C.E. (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality in support of the details given in CA certificate.*

vi. *Site inspection to ascertain the physical progress of the project.*

vii. *Any other condition which may be specified from time-to-time.*

c) In those projects where criteria for release of 2nd installment i.e. 75% of promoters' contribution and 75% of term loan have already been spent on the project within the 9/12 months from the date of issue of approval letter, both 1st and 2nd installment can be released as one installment. In such cases the promoter should submit all the required documents for the 1st as well as 2nd installment in a single application for release of 75% of the approved grant. All the formalities and due diligence as stated above for release of 1st and 2nd installment shall be carried out.

d) 3rd and final installment of remaining 25% of the approved grant under the scheme will be released after ensuring that the utilization of the second installment and 100% of promoters' contribution and 100% of term loan has been invested on the project and the project has achieved completion and commercial operation has started. Following documents should be submitted by the promoter(s) at the time of making claim for the 3rd and final installment:

i. *Utilization Certificate –Duly certified by the C.A. and countersigned by the promoter(s) of the beneficiary company (**Annexure-III**).*
ii. *Chartered Accountant Certificate for actual expenditure incurred on the project showing the means of finances and 100% utilization of Promoters' contribution, 100% of term loan and 2nd installment of released grant (**Annexure-II**).*
iii. *Bank certificate – certifying that they have released 100% of term loan and 2nd installment of grant released by the Ministry and they have no objection in releasing 3rd installment of grant being released by the Ministry (**Annexure I**).*
iv. *Certificate of the C.E. (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality in support of the details given in CA certificate.*
v. *Certificate of the C.E. (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality in support of the details given in CA certificate.*
vi. *Declaration of completion of the project and start of commercial operation.*

vii. *The promoter must display prominently on the front of the project building/ vehicles stating "the project is assisted by the Ministry of Food Processing Industries, Government of India".*

viii. *Joint inspection by a team consisting of the representatives of MFPI, NHB or APEDA, the Bank (which has sanctioned the Term Loan) & PMA to ascertain the completion of the project and start of commercial production. The Member from this Ministry for Joint Inspection Team shall be nominated/ approved by Secretary, FPI.*

ix. *Obtaining registration/ license with Food Safety and Standards Authority of India [FSSAI].*

x. *Any other condition which may be specified from time-to-time.*

5.2 Promoter(s) not implementing the project within the prescribed time limit after availing MFPI grant for the purpose will be liable to repay the entire grant amount along with penal interest prevailing during the period.

5.3 The promoter(s) of the successfully completed projects will submit the following documents every year to the MFPI for next five years from the date of release of 3rd and final installment of the approved grant:-

a) Audited Annual Financial Statement of the company showing balance sheet, profit & loss account, schedule and notes to accounts of the cold chain project separately.

b) Percentage capacity utilization of the cold storage/ cold chain facilities.

5.4 The implementation schedule for the project would be 24 months in general areas and 30 months in difficult areas from the date of issue of the approval letter for the financial assistance. No extension of time for implementation of the project will be given. In exceptional circumstances, for the reasons beyond the control of the promoter(s), the implementation period may be extended with the approval of Inter Ministerial Approval Committee (IMAC).

6. Ineligible components:

6.1 The following items will be considered as non-technical civil works and will be considered ineligible for calculation of grant for the project (The list is only indicative and not exhaustive) :-

(i) *Compound Wall*
(ii) *Approach Road/ internal Roads*
(iii) *Cost of Land*
(iv) *Administrative Office Building*
(v) *Canteen*
(vi) *Toilets*
(vii) *Labour Rest Room and quarters for workers*
(viii) *Septic tank, drainage, etc.*
(ix) *Security/ Guard Room or enclosure*
(x) *Consultancy fee, taxes, etc.*
(xi) *Non-technical civil works not related to cold chain or storage infrastructure*

In this respect decision of the IMAC will be final.

6.2 The following items of the plant and machinery will not be eligible for calculating the eligible grant for the project (The list is only indicative and not exhaustive):-

(i) *Margin money, working capital and contingencies*
(ii) *Fuel, consumables, spares and stores*
(iii) *Computers and allied office furniture*
(iv) *Transport vehicles other than the reefer trucks/vans/refrigerated carrier/insulated milk tankers*
(v) *Pre-operative expenses*
(vi) *Second hand/ old machines*
(vii) *All types of service charges, carriage and freight charges*

(viii) Expenditure on painting of machinery

(ix) AC ducting, furniture, computers and other items for office.

(x) Closed Circuit TV Camera and security system related equipment

(xi) Consultancy Fee, Taxes, Freights, etc.

(xii) Stationery items

(xiii) Plant & machinery not directly related to cold chain infrastructure

In this respect decision of the IMAC will be final.

7. Expression of Interest (EOI):

7.1 Applications under the scheme will be invited through EOI by the Ministry. The proposals have to meet the following basic eligibility criteria under the scheme:

(a) The net worth of the applicant should be at least 1.5 times of the grant applied for.

(b) Availing term loan from the Bank/Financial Institution for an amount not less than 10% of the project cost. Final term loan sanction letter along with appraisal note should be submitted.

(c) Minimum two components [from (a), (b) and (c) mentioned in para 3 above]

(d) Irradiation facility can be treated as a stand alone project for the purpose of availing grant.

(e) No second proposal from the same applicant / company.

(f) Date of commercial production should not be prior to the date of submission of application.

7.2 The proposals found prima facie eligible based on the above mentioned criteria will be evaluated as per the assessment criteria at ***Annexure – IV*** of these guidelines.

7.3 The criteria of maintaining regional balance may be taken into account by the Ministry while deciding the projects for sanction of grant under the scheme.

8. **Technical Committee**

Before placing the proposals for obtaining approval of the Inter Ministerial Approval Committee (IMAC), the prima-facie eligible proposals will be scrutinized by a Technical Committee (TC) having following composition:-

(a) Joint Secretary, MFPI – Chairman.

(b) Representative of Agricultural & Processed Food Products Export Development Authority (APEDA).

(c) Representative of Department of Agriculture and Cooperation.

(d) Mission Directors of NMFP or representatives of respective States from where the proposals have been received.

(e) Representative of National Horticulture Board (NHB).

(f) Director, MFPI dealing with cold chain– Convener.

(g) Two technical experts to be nominated by Secretary, FPI

9. **Inter-Ministerial Approval Committee:**

With the recommendation(s) of the TC, the proposals will be placed before Inter-Ministerial Approval Committee (IMAC) for approval of the project for financial assistance. The IMAC will have following composition:-

(a) Secretary / Additional Secretary, MFPI – Chairman.

(b) Financial Adviser, MFPI.

(c) Representative of Ministry of Agriculture, Department of Agriculture and Cooperation.

(d) Representative of Department of Commerce / APEDA.

(e) Representative of Planning Commission.

(f) Representative of Department of Animal Husbandry, Dairying and Fisheries.

(g) Joint Secretary, MFPI – Convener.

The recommendations of the IMAC will be placed before the Minister-in-charge of MFPI for approval.

10. DOCUMENTS REQUIRED:

Following documents will be required to be submitted with the application:

(i) Detailed Project Report (DPR) in the prescribed template as at **Annexure-V**.

(ii) Sanction letter of term loan from bank / financial institutions for the amount not less than 10% of the project cost. Final term loan sanction letter along with appraisal note should be submitted.

(iii) Certificate of incorporation/ registration of the applicant firm, Memorandum and Articles of Association in case of Company/ Bye laws of the Society/ Registered notarized partnership deed, etc.

(iv) Bio-data/background/ experience of the office bearers/promoters of the organization.

(v) Annual reports and Audited Financial Statement of Accounts of the applicant firm for last two years.

(vi) Duly notarized English version of land documents in support of land title in the name of the applicant or land lease, duly registered with the competent authority in favour of the applicant for not less than the period of 15 years.

(vii) Change in Land Use (CLU) permission for the project for the said land from the competent authority. However, if the land is not available at the time of application, the land documents in respect of main facility/ collection centers/ retail outlets may be submitted as below:-

a) Land documents for the main facility are required to be submitted at the time of release of 1st installment of grant in aid.

b) Land documents for at-least 75% of the number of collection centres/ forward linkage locations/ retail outlets are required to be submitted at the time of release of 2nd installment of grant in aid.

c) Land documents for all of the collection centres/forward linkage locations/retail outlets are required to be submitted at the time of release of 3rd installment of grant in aid,

(viii) Item wise cost details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).

(ix) Item wise cost details of Plant & Machinery envisaged duly certified by Chartered Engineer (Mechanical).

(x) Quotations from the suppliers of Plant & Machinery and equipment, etc. for the project.

(xi) Affidavit declaring that the project has not commenced commercial production before the date of submission of application.

(xii) In case of irradiation facilities, the following documents are required to furnished:-

a. Letter from Bhabha Atomic Research Centre (BARC)/ Board of Radiation Isotope Technology (BRIT) that technology is approved for intended process/products & copy of such letter.

b. Technical agreement with BARC/BRIT for installation & operationalization of plant.

(xiii) An affidavit duly executed on non-judicial stamp paper of Rs.100/- or more duly notarized by Notary Public affirming:

(a) That applicant has not obtained/applied for or will not obtain any grant/subsidy from any ministry/department/organization/agency of Central or State Govt. for the same project/activity/ components. If yes, the details thereof.

(b) That the applicant/ its sister concern/ related companies/ group companies/ firms has/have not availed any financial assistance for the cold chain project under the scheme of Cold Chain, Value

Addition and Preservation Infrastructure of the Ministry of Food Processing Industries. If yes, the details thereof.

****

Annexure-I

(Letter Head of the Bank)

<u>Certificate</u>

1. Certified that this bank has appraised the project of M/s ………………….. (Name and address of the company) for grant as per guidelines of the Ministry of Food Processing Industries and also sanctioned term loan of Rs. ………lakh (if applicable).

2. It is further certified that we have released Rs…….. lakh (----% of sanctioned term loan) to M/s ………………………………. (Name and address of the company).

3. We have no objection in releasing $1^{st}/2^{nd}$ $/3^{rd}$ (delete whichever not applicable) installment of grant.

(Signature)
(Name)
(Branch Manager)

Counter signature of promoter of company with Seal

Annexure-II

CA Certificate Format

(Letter Head of the CA)

CA certificate (With membership No. and firm registration No. of CA) in the following format:-

(i) Project Cost: **(Rs. in lakh)**

Sl No.	Name of the Component/Item	Approved cost	Actual Cost As on …………
1.	Land/development charges		
2.	Civil works - Technical civil works - Other civil works		
3.	Plant & Machinery		
4.	Misc. Fixed Assets		
5.	Others		
	Total		

(ii) Means of Finance: **(Rs. in lakh)**

Sl. No.	Item	Approved means of Finance	Actual mobilization As on …….
1.	Promoter's Equity		
2.	Term Loan		
3.	*Unsecured Loan		
4.	Grant from MFPI		
5.	Others		
	Total		

*Details of unsecured loans, if any, duly certified by CA.

Signature and Seal of C.A.

(The certification by CA should be based on the verification of books of accounts, bills, invoices, work orders, bank statements, etc. related to the project.)

Counter signature of promoter of company with Seal

Annexure-III

Utilization Certificate
PROFORMA AS PER GFR 19-A
(See GF rule 212 (1))

S. No.	**Letter No. & Date**	**Amount**
1.		

Certified that out of **Rs. ----------**of grant-in-aid sanctioned during the year --------- in favour of **------------------** under this Ministry/ Department letter No. given in the margin and **Rs.------** on account of unspent balance of the previous year, a sum of **Rs. ----------** has been utilized for the purpose of **---------------** for which it was sanctioned, that the balance of **Rs. ----------** remaining un-utilized at the end of the year **----** has been surrendered to Government (vide No. ----dated ----------)/ will be adjusted towards the grants-in-aid payable during the next year -------.

2. Certified that I have satisfied myself that conditions on which the grant-in-aid was sanctioned have been duly fulfilled/ are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised :

1.

2.

3.

Signature (CA) ________________
Designation ________________
Date______________________

Counter signature of promoter of company with Seal

Annexure-IV

SN	Criteria for Evaluation of Integrated Cold Chain Proposals			Max Marks
1	**Viability of the Cluster**			**25**
1a	**Adequate Volume and Wider Mix of Raw Materials/Days of Operation in a Year (Suitability of Location, Project Site and Status of Possession of Land)**		Marks given	***15***
I	Availability of raw materials , product mix & no. of days of operations (*Higher marks shall be given to the projects which provided the details of raw material in the catchment area supported by authentic data).*			5
Ii	Suitability of project location(s) for proposed operations and their connectivity through road, railways etc. *(1. Higher marks shall be given if land is in Industrial Areas/Park, APMC, etc for all locations.* *2. around 3-4 marks shall be given to projects which are located in other areas and adequate details about connectivity, etc. is given.* *3. lower marks shall be given for land located in any other area but no details about connectivity, etc. are given).*			5
iii	Status of project land			5
	a	Land in possession of the Applicant with approval for industrial use	5	
	b	Land in possession of the Applicant without approval for industrial use	3	
	c	Land not in possession of the Applicant but Agreement to sale executed	2	
1b	**Agreement/Arrangements for Raw Materials Procurement (Background in Agribusiness & Food Processing)**			***10***
i	Initiatives already taken for Backward & Forward Linkages (as illustrated in DPR) **(***Higher marks shall be given to projects in which significant initiative have been taken for linkages along with proofs such as MoU/ application/ consent letter, explained in bank appraisal note, etc.)*			5
ii	Experience in food processing (existing Food Processing operations) *(Highest marks shall be given if the applicant/ promoter is in same business.* *About 3-4 marks given if applicant/ promoter has experience in food processing business but not in the same business as proposed).*			5
2	**Proposed Investment in Core Processing Facilities/Distribution Hub/Value Added Centre/Multi-Chamber and Multi-Product Cold Storage Facilities**			**25**

	i	Financial Capability of Applicant (Networth in proportion to proposed equity contribution, Nature of networth in terms of liquid assets) *(Max marks for networth multiple = 5 5 marks shall be given if networth >= 5 times of equity proposed . 4 marks shall be given if networth is more than 4 but less than 5 times of equity proposed. 3 marks shall be given if networth is more than 3 but less than 4 times of equity proposed. 2 marks shall be given if networth is more than 2 but less than 3 times of equity proposed. 5. 1 mark shall be given if networth is =< 2 times of equity proposed).*		5
	ii	Economic Viability of Project Based on Bank Appraisal (Key financial parameters viz. IRR, DSCR etc.) *(The average of score for IRR and DSCR would be considered. IRR and DSCR will be taken from bank appraisal note. In case, IRR and/ or DSCR are not given in the bank appraisal note then the same will be taken from the DPR. Max marks for IRR = 5 1. 5 marks shall be given if IRR >20% 2. 4 marks shall be given if IRR is between 17%-20% 3. 3 marks shall be given if IRR is between 14%-16.9% 4. 2 marks shall be given if IRR is between 10%-13.9% 5. Nil marks shall be given if IRR is less than 10% Max marks shall be given for DSCR = 5 1. 5 marks shall be given if DSCR >=3.0 2. 4 marks shall be given if DSCR is between 2.5 and 2.9 3. 3 marks shall be given if DSCR is between 2.0-2.4 4. 2 marks shall be given if DSCR is between 1.5-1.9 5. Nil marks shall be given if DSCR <1.5)*		5
	iii	Extent of Proposed Investment in Cold Chain infra components as compared to Processing infrastructure *(Scores given as per the evaluation criteria.)*		15
		a More than 80 %	15	
		b Between 60 - 80 %	10	
		c Below 60%	5	
3	**Proposed Investment in Minimal Processing Centre/Farm Level Infrastructure including Collection Centres and reefer transport etc.** ***(Scores given as per the evaluation criteria.)***			**25**
	i	Upto 10 % of Project Cost (Excluding Cost of Land)	10	
	ii	10 % - 20 %	15	
	iii	20 % - 40 %	25	
	iv	More than 40 %	10	

4	**Employment Generation (Direct employment opportunities proposed)** ***(1. Five marks shall be given if direct employment is >=100*** ***2. Four marks shall be given if direct employment is 75-99*** ***3. Three marks shall be given if direct employment is 50-74*** ***4. Two marks shall be given if direct employment is 25-49*** ***5. one marks shall be given if direct employment is less than 25)***		**5**
5	**Leveraging of Investment in the Project** ***(Scores given as per the evaluation criteria.)***		**5**
	For General Area		
i	Proposed private investment excluding land < 2 times of grant sought	3	
ii	Proposed private investment excluding land >= 2 times of grant sought	5	
	For Difficult Areas		
i	Proposed private Investment excluding land < grant sought	3	
ii	Proposed private Investment excluding land >= grant sought	5	
6	**Adoption of Modern Technology such as CA / MA storages, Packing facilities, IQF etc**.		**15**
6a	**Extent of Coverage of Cold Chain Components-CA/MA, IQF, Packaging, Ripening Chambers etc.** ***(Scores given as per the evaluation criteria.)***		10
i	Components like CA/MA (Multi Product/Multi Chamber), IQF, Packaging, Ripening chambers for fruits and vegetables (Multi Product)	10	
ii	Normal cold storage operations for single produce like potato, milk etc.	5	
6b	**Extent of Procurement from Reputed Suppliers** **Very well known, reputed, multinational supplier** **5** **Other lesser known, local or regional suppliers** **3**		5
	TOTAL		**100**

Annexure V

Template of DPR

1. Name of the applicant/ company / firm with details of registration no. of company / firm along with names of the directors/promoters

2. Type of applicant firm (Govt. Institution / organisation, Industry Association, University, NGO, Co-operative/ Company/ partnership firm/ proprietorship, etc.)

3. Contact details of the Promoter(s) including addresses, telephone, mobile, fax, e-mail, website etc.

4. Experience of the promoter(s) in Food Processing, Cold Chain, Supply Chain management (Pl. enclose documentary evidences)

5. Land Details.

(i) Proposed Locations of Land for all project facilities and status of their acquisition

Location of Land	Facility (Distribution Hub/ MPC/ CC)	Area (Ha/ Acres/ Sqm)	Status of Possession (Owned/ leased/ rented)	In case of lease/ rent (term of lease in years)	Status of Land Use Conversion	Connectivity Details (distance from Highway, Railway Station, Airport, etc.)
Land1	Distribution hub					
Land2	Minimal processing centre(MPC)/ collection centre (CC)					

6. Proposed Facilities

Sr. no.	Type of facilities being created	Location of Facility (at Distribution Hub/ MPC/ CC)	Capacity
1	CA Store		
2	Normal cold store		
3	Frozen store		
4	Pre-cooling Chambers		
5	Sorting, Grading, Waxing, Weighing, Packing facility		
6	Ripening Chambers		
7	IQF		
7	Blast Freezing		
8	Milk Processing Facilities		
9	Milk Chilling Centers		
10	Bulk Milk Coolers (BMCs)		
11	Refrigerated Vehicles/ Reefer vans		
12	Mobile Pre-coolers		
13	Insulated Milk Tankers		
14	Add other components not listed above		

7. Proposed Project Financials

a. Estimated Project cost details

Item	Amount (In Rs. Lakhs)
Land (Including MPCs / CCs / value added centre / distribution centre)	
Technical civil work (TCW)* Other civil works	
Plant & Machinery (P&M)**	
Common Utilities like Water/ETP/ STP, etc.***	
Pre-operative Expenses	
Margin Money for Working Capital	
Add other items not listed above	
Total	

*** The component wise cost breakup of technical and other civil work should be provided in the Chartered Engineer (Civil) certificate in the prescribed format as enclosed as Annexure-6**

**** The component wise cost breakup of P&M should be provided in the Chartered Engineer (Mechanical) certificate in the prescribed format as enclosed as Annexure-7**
*****The cost of common utilities may be provided in Chartered Engineer (civil) and Chartered Engineer (Mechanical) certificate where ever applicable.**

b. Means of finance

Item	**Amount (In Rs. lakh)**
Promoters' contribution	
Bank loan	
*Unsecured loan	
Eligible grant	
*Other Source/s	
Total	

- **Pl. provide details of unsecured loan and other sources**

c. Basic Revenue Projections

Item	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Turnover					
Cost of Operations					
Gross Profit					
Profit before taxation					
Profit after taxation					

d. Financial Parameters
   a. Internal Rate of Return (IRR):
   b. Avg. Debt Service Coverage Ratio (DSCR):
   c. Break Even Point (BEP):

8. Availability of Raw Material in the Catchment Area - provide details such as Adequate Volume, Wider Mix of Raw Materials, Days of Operation in a Year along with supporting data.

9. Agreement/Arrangements for backward and forward linkages - enclose supporting MoUs/ LoIs, Agreements with farmers/trader/ wholesalers/retailer, etc.

10. Employment Generation projections

    a. Direct Employment: ………., Male……………, Female
    b. Indirect Employment: …………, Male…………, Female

11. List of Manufacturers/ Suppliers of P&M (enclose quotations)

Annexure-VI

Chartered Engineer (Civil) Certificate in support of proposed cost of Civil Work
Location: Distribution Hub at…………….

Sr. no.	Type of facilities being created	Area (square meter)	Cost (Lakh Rs)
1	CA Store		
2	Normal cold store		
3	Frozen store		
4	Pre-cooling Chambers		
5	Sorting, Grading, Waxing, Weighing, Packing facility		
6	Ripening Chambers		
7	IQF		
7	Blast Freezing		
8	Milk Processing Facilities		
9	Milk Chilling Centers		
10	Bulk Milk Coolers (BMCs)		
11	Refrigerated Vehicles/ Reefer vans		
12	Mobile Pre-coolers		
13	Insulated Milk Tankers		
14	Add other components not listed above		

Location: Minimal Processing Center (MPC)/ Collection Center (CC) at……………..

Sr. No.	Name of Component	Area (Sqm)	Cost (Lakh Rs)
Sr. no.	Type of facilities being created		
1	CA Store		
2	Normal cold store		
3	Frozen store		
4	Pre-cooling Chambers		
5	Sorting, Grading, Waxing, Weighing, Packing facility		
6	Ripening Chambers		
7	IQF		
7	Blast Freezing		
8	Milk Processing Facilities		
9	Milk Chilling Centers		
10	Bulk Milk Coolers (BMCs)		
11	Refrigerated Vehicles/ Reefer vans		
12	Mobile Pre-coolers		
13	Insulated Milk Tankers		
14	Add other components not listed above		

Similarly, provide component wise cost details of civil works for common utilities such as water supply system, storage tanks, ETP, WTP, STP, Substation, etc at all locations.

Chartered Engineer (Mechanical) Certificate in support of proposed cost of Plant & Machinery

Location: Distribution Hub at…………….

Sr. No.	Name of Component	Unit of Capacity	No. of Units	Capacity	Cost (lakh Rs) *	Supplier/ manufacturer*
1	CA Store	MT	No. of Chambers			
2	Normal cold store	MT	No. of Chambers			
3	Frozen store	MT	No. of Chambers			
4	Pre-cooling Chambers	MT	No. of Chambers			
5	Sorting, Grading, Waxing, Weighing, Packing facility	MT/ Hr				
6	Ripening Chambers	MT/Hr	No. of Chambers			
7	IQF	MT/Hr				
7	Blast Freezing	Liters/Day				
8	Milk Processing Facilities	Liters/Day	No. of MCCs			
9	Milk Chilling Centers	Liters/Day	Numbers			
10	Bulk Milk Coolers (BMCs)	Liters/Day	No. of BMCs			
11	Refrigerated Vehicles/ Reefer vans	MT	No. of Vehicles			
12	Mobile Pre-coolers	MT	No. of Vehicles			
13	Insulated Milk Tankers	MT	No. of Vehicles			
14	Add other components not listed above					

***Cost of Plant & Machinery and Suppliers/ Manufactures should be supported by quotations**

Similarly, provide component wise cost details of P&M for all the facilities created at MPC/CC locations.

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS that we, M/s ______________________, a ________________(Type of organization) incorporated / registered under the ______________(Name of the Act) and having its registered office at ________________________________ (hereinafter called the "Obligers") are held fully and firmly bound to the President of India (hereinafter called the "Government") for the sum of Rs.____________________ (Rupees________________________________only) well and truly to be paid to the Government on demand and without a demur for which payment we firmly bind ourselves and our successors and assignees by these presents.

SIGNED on the ______________________ day of ____________________ in the year Two Thousand ________.

WHEREAS on the Obligers' request, the Government as per Ministry of Food Processing Industries's Sanction Order No.__________________ Dated __________________ (hereinafter referred to as the "Letter of Sanction") which forms an integral part of these presents, and a copy whereof is annexed hereto and marked as Annexure-I, agreed to make in favour of the Obligers grants-in-aids-in-aid of Rs.______________ (Rupees ______________________only) for the purpose of ______________________(description of the project) at ________________________ out of which the sum of Rs.__________ (Rupees __________________ only) have been paid to the Obligers (the receipt of which the Obligers do hereby admit and acknowledge) on condition of the Obligers executing a bond in the terms and manner contained hereinafter which the Obligers have agreed to do.

NOW the conditions of the above written obligation is such that if the Obligers duly fulfill and comply with all the conditions mentioned in the letter of sanction, the above written Bond or obligation shall be void and of no effect. But otherwise, it shall remain in full force and virtue. The Obligers will abide by the terms & conditions of the grants-in-aid by the target dates, if any specified therein.

THAT the Obligers shall not divert the grants-in-aids and entrust execution of the Scheme or work concerned to another institution(s) or organization(s).

THAT the Obligers shall abide by any other conditions specified in this agreement and in the event of their failing to comply with the conditions or committing breach of the bond, the Obligers individually and jointly will be liable to refund to the President of India, the entire amount of the grants-in-aid with interest of 10% per annum thereon. If a part of the grants-in-aid is left unspent after the expiry of the period within which it is required to be spent, interest @10% per annum shall be charged upto the date of its refund to the Government, unless it is agreed to be carried over.

The Obligers agree and undertake to surrender / pay the Government the monetary value of all such pecuniary or other benefits which it may receive or derive / have received or derived through / upon unauthorized use of (such as letting out the premises on adequate or less than adequate consideration or use of the premises for any purpose other than that for which the grants-in-aid was intended of the property) buildings created / acquired constructed largely from out of the grants-in-aid sanctioned by the Government of India, Ministry of Food Processing Industries or the administrative Head of the Department concerned. As regards the monetary value aforementioned to be surrendered / paid to the Government, the decision of the Government will be final and binding on the Obligers.

AND THESE PRESENTS ALSO WITNESS THAT the decision of the Secretary to the Government of India in the Ministry of Food Processing Industries on the question whether there has been breach or violation of any of the terms or conditions mentioned in the sanction letter shall be final and binding upon the Obligers and

IN WITNESS WHEREOF these presents have been executed as under on behalf of the Obligers the day herein above written in pursuance of the Resolution No.________________ Dated ______________ passed by the governing body of the Obligers, a copy whereof is annexed hereto as Annexure-II and by ____ for and on behalf of the president on the date appearing below:-

____

Signature of the AUTHORISED SIGNATORY
Signed for and on behalf of
(Name of the Obliger in block letters)
(Seal / Stamp of Organization)

1. Signature of witness
Name & Address
____
____
____

2. Signature of witness
Name & Address
____
____
____

TO BE FILLED UP BY THE MINISTRY OF FOOD PROCESSING INDUSTRIES
(ACCEPTED)
For and on behalf of the President of India

Name:____________________________
Designation: ______________________
Dated:____________________________

Notary Seal &
Signature

____

____

NATIONAL COOPERATIVE
DEVELOPMENT CORPORATION

4 - Siri Institutional Area,
Hauz Khas, New Delhi 110016,
Tel.No. 26510314
Fax : 011-26962370
E.mail. mdncdc@ncdc.in

No. NCDC: 3-1/2012-P&C Dated: 17.09.2014

From:

Vasudha Mishra, I.A.S.,
Managing Director

To,

The Secretaries to Government,
Cooperation Department
Animal Husbandry, Dairy & Fisheries Department,
Tribal Welfare/SC/ST Department,
Industries Department,
(All States & Union Territories)

Sub: **Introduction of CENTRAL SECTOR INTEGERATED SCHEME ON AGRICULTURAL COOPERATION (CSISAC) for financial assistance to Cooperative Societies by NCDC during the remaining period of the 12th Five Year Plan (2013-2017) – reg**

Madam/Sir,

The Government of India in the Ministry of Agriculture, Department of Agriculture & Cooperation (DAC) has approved the **CENTRAL SECTOR INTEGERATED SCHEME ON AGRICULTURAL COOPERATION (CSISAC**) for financial assistance to Cooperative Societies by NCDC during the remaining period of the 12th Five Year Plan (2013-2017). The DAC has issued detailed guidelines specifying the Components, coverage, eligible sectors and orgainsations, quantum of subsidy, Plan and Year-wise outlay etc. under the Scheme which is enclosed at **Annexure-A** for ready reference.

2. The Scheme has three Components covering several activities, target groups and also addresses the aspects containing regional disparities. Accordingly, NCDC has developed a comprehensive **Operational Guideline for Implementation** which is enclosed at **Annexure-B** to this letter for your ready reference. It may be noted that the assistance from DAC under the CSISAC Scheme is towards meeting the subsidy component specified under the Scheme, while the loan component (both Term Loan & Investment Loan) is to be provided by NCDC from its own resources. The conditions contained in the Guidelines

issued by DAC now supersede instructions earlier circulated in respect of Restructured Central Sector Scheme as implemented by NCDC through the 10th & 11th Five Year Plans, upto 03.07.2014 while on 04.07.2014 the new CSISAC scheme has been introduced by the DAC for implementation during the remaining part of 12th Five Year Plan.

3. It is requested that the Scheme may be brought to the notice of all the cooperative societies and others concerned, in your State and the cooperative societies may be impressed upon to prefer their proposals to NCDC for financial assistance. **Cooperatively Developed States may please note that subsidy assistance under the scheme which was not earlier available to them under the Components I is now permitted @15% for projects/ programmes related to weaker sections subject to conditions detailed in the Guidelines. Further, Societies organised as Women Cooperatives and Labour Cooperatives under the provision of State Act, shall also be considered as Weaker Section Cooperatives for the purpose of subsidy assistance under CSISAC.**

4. For any further clarification about the CSISAC Scheme, guidelines for preparation of Detailed Project Reports (DPR) and formulation of proposals, the Head Office at New Delhi and / or the concerned Regional Office of NCDC in your region may kindly be contacted for necessary assistance in facilitating generation of proposals, to derive optimal benefits from the Scheme for promotion and development of cooperative sector in your State. List of NCDC's Regional Offices and their contact addresses are enclosed at **Annexure-C** which are also available on the website:www.ncdc.in.

5 Hindi version of this circular follows.

Yours faithfully,

Sd/-
(Vasudha Mishra)
Managing Director

Encl: As above.

Copy to:

1. Chief Director (Cooperation), Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India, Krishi Bhawan, New Delhi
2. Registrar of Cooperative Societies (All States/UTs)
3. Directors/Commissioner of Fisheries (All States/UTs)
4. Directorate of Animal Husbandry & Veterinary Services (All States/UTs)
5. Director Handloom, Handicraft, Textile & Khadi, (All States/UTs)
6. Managing Director, Scheduled Caste and Scheduled Tribe Federations (All States/UTs)

7. Managing Director, State Cooperative Dairy Federation (All States/UTs)
8. Managing Director, State Cooperative Consumer Federation (All States/UTs)
9. Managing Director, State Apex Marketing Federation (All States/UTs)
10. Chief Executive Officer, National Level Cooperative Organisation
11. Managing Director, State Labour & Construction Cooperative Federation (All States/UTs)
12. All Chief Director, NCDC Head Office including TOPIC;
    Advisers (SCU/KPV/GKG) and Directors (MIS/PR), NCDC, Head Office
13. All Regional Director, NCDC
14. Guard File

Central Sector Integrated Scheme on Agricultural Cooperation - Pattern of Assistance

a) **Least Developed States** (Arunachal Pradesh, Assam, Bihar, Jammu & Kashimir, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura)

	NCDC to State Govt.	State govt. to Society	Direct Funding
A. BUSINESS DEVELOPMENT			
1. Margin Money - Loan - margin for availing Bank Credit	Loan 75% Subsidy 25% Total 100%	Loan or Share Cap 75% Subsidy 25% Total 100%	Loan 75% Subsidy 25% Total 100%
2. Share capital -	Investment Loan - as per requirement	Share Capital	-
B. INFRASTRUCTURE CREATION (PROJECT FACILITIES)			
All types of small and medium sized units, plant & machinery/equipment including integrated projects, furniture & fixtures, transport vehicles including refrigerated and insulated vehicles, bulk milk coolers, milk collection centers, installation of/purchase of computers/computerization, creation of infrastructure for marketing, setting up of slaughter houses. and any other related activities.	Loan 70% Subsidy 25% Total 95%	Loan 50% Share Cap 20% Subsidy 25% Total 95% Members Cont. 5%	Loan 65% Subsidy 25% Total 90% Members Cont 10%
C. PROCESSING			
Small and medium type agro processing units viz. Dairy units, milk chilling centres, Cattle feed mixing/ manufacturing units, purchase of equipments, modernization & expansion of existing processing units, purchase of livestock animals for breeding, rearing, meat, fleece, skin, wool and other by-products.	Loan 70% Subsidy 25% Total 95%	Loan 50% Share Cap 20% Subsidy 25% Total 95% Members Cont. 5%	Loan 65% Subsidy 25% Total 90% Members Cont 10%
D. Technical and Promotional Cell (All Federations)	Subsidy for employment of professionals to be provided for a period of 7 years on a tapering scale. i) 100% for the first 5 years. ii) 80% for the subsequent 2 years. Qualification and scales of pay and other emoluments for the various experts/professionals would be determined by the concerned federations in consultation with NCDC. Subsidy, if available from the Central Govt. is proposed to be provided only for Pay, HRA, CCA, DA for 5 to 7 years. The assistance will be sanctioned by the Corporation only after careful consideration of the proposal of the institutions and assessing the need for appointment of such experts.		

b) **Under Developed States** (Andhra Pradesh, Chhattisgarh, Goa, Himachal Pradesh, Madhya Pradesh, Odisha, Rajasthan, Telengana, Uttar Pradesh & West Bengal, Union Territories of Andaman and Nicobar Islands and Lakshwadeep)

	NCDC to State Govt.	State govt. to Society	Direct Funding
A. BUSINESS DEVELOPMENT			
1. Margin Money – Loan - margin for availing Bank Credit	Loan 80% Subsidy 20% Total 100%	Loan or Share Cap 80% Subsidy 20% Total 100%	Loan 80% Subsidy 20% Total 100%
2. Share capital -	Investment Loan - as per requirement	Share Capital	-
B. INFRASTRUCTURE CREATION (PROJECT FACILITIES)			
All types of small and medium sized units, plant & machinery/equipment including integrated projects, furniture & fixtures, transport vehicles including refrigerated and insulated vehicles, bulk milk coolers, milk collection centers, installation of/purchase of computers/computerization, creation of infrastructure for marketing, setting up of slaughter houses. and any other related activities.	Loan 70% Subsidy 20% Total 90%	Loan 50% Share Cap 20% Subsidy 20% Total 90% Members Cont. 10%	Loan 65% Subsidy 20% Total 85% Members Cont 15%
C. PROCESSING			
Small and medium type agro processing units viz. Dairy units, milk chilling centres, Cattle feed mixing/ manufacturing units, purchase of equipments, modernization & expansion of existing processing units, purchase of livestock animals for breeding, rearing, meat, fleece, skin, wool and other by-products.	Loan 70% Subsidy 20% Total 90%	Loan 50% Share Cap 20% Subsidy 20% Total 90% Members Cont. 10%	Loan 65% Subsidy 20% Total 85% Members Cont 15%
D. Technical and Promotional Cell (All Federations)	Subsidy for employment of professionals to be provided for a period of 7 years on a tapering scale. i) 100% for the first 5 years. ii) 80% for the subsequent 2 years. Qualification and scales of pay and other emoluments for the various experts/professionals would be determined by the concerned federations in consultation with NCDC. Subsidy, if available from the Central Govt. is proposed to be provided only for Pay, HRA, CCA, DA for 5 to 7 years. The assistance will be sanctioned by the Corporation only after careful consideration of the proposal of the institutions and assessing the need for appointment of such experts.		

c) Developed States

(Maharashtra, Karnataka, Kerala, Haryana, Punjab, Gujarat, Tamil Nadu, and Union Territories of Delhi, Daman & Diu, Dadra & Nagar Haveli, Chandigarh and Pondicherry)

	NCDC to State Govt.	State govt. to Society	Direct Funding
A. BUSINESS DEVELOPMENT			
1. Margin Money – Loan - margin for availing Bank Credit	Loan 85% Subsidy 15% Total 100%	Loan or Share Cap 85% Subsidy 15% Total 100%	Loan 85% Subsidy 15% Total 100%
2. Share capital -	Investment Loan - as per requirement	Share Capital	-
B. INFRASTRUCTURE CREATION (PROJECT FACILITIES)			
All types of small and medium sized units, plant & machinery/equipment including integrated projects, furniture & fixtures, transport vehicles including refrigerated and insulated vehicles, bulk milk coolers, milk collection centers, installation of/purchase of computers/computerization, creation of infrastructure for marketing, setting up of slaughter houses. and any other related activities.	Loan 75% Subsidy 15% Total 90%	Loan 50% Share Cap 25% Subsidy 15% Total 90% Members Cont. 10%	Loan 65% Subsidy 15% Total 80% Members Cont 20%
C. PROCESSING			
Small and medium type agro processing units viz. Dairy units, milk chilling centres, Cattle feed mixing/ manufacturing units, purchase of equipments, modernization & expansion of existing processing units, purchase of livestock animals for breeding, rearing, meat, fleece, skin, wool and other by-products.	Loan 75% Subsidy 15% Total 90%	Loan 50% Share Cap 25% Subsidy 15% Total 90% Members Cont. 10%	Loan 65% Subsidy 15% Total 80% Members Cont. 20%
D. Technical and Promotional Cell (All Federations)	Subsidy for employment of professionals to be provided for a period of 7 years on a tapering scale. i) 100% for the first 5 years. ii) 80% for the subsequent 2 years. Qualification and scales of pay and other emoluments for the various experts/professionals would be determined by the concerned federations in consultation with NCDC. Subsidy, if available from the Central Govt. is proposed to be provided only for Pay, HRA, CCA, DA for 5 to 7 years. The assistance will be sanctioned by the Corporation only after careful consideration of the proposal of the institutions and assessing the need for appointment of such experts.		

177

National Cooperative Development Corporation
(Finance Division)
4, Siri Institutional Area, Hauz Khas, New Delhi - 110 016

No. NCDC:1-1/90-Budt. 26th April, 2016

To,

The Secretary In-charge of Cooperation,
All State Governments & Union Territories

Sub: <u>Interest rates on NCDC loans</u>

Dear Sir,

In modification of our letter of even number dated 05.10.2015, interest rates for NCDC loans are revised w.e.f. 26th April, 2016 as follows:

Scheme	Effective rate of interest *
A. Term Loans:	
(a) Through State Governments	
(i) Weaker section programmes	10.70%
(ii) Other programmes	10.90%
(b) Direct funding	
(i) Weaker section programmes	
- upto project cost of Rs.50 lakhs	10.95%
- above project cost of Rs.50 lakhs	11.20%
(ii) Other Programmes	11.45%
B. Working Capital Loans:	
(a) Through State Governments	
(i) from 3 to 6 months	9.15%
(ii) above 6 months - upto 9 months	9.40%
(iii) above 9 months - upto one year	9.75%
(iv) above one year - upto two years	10.00%
(b) Direct funding	
(i) from 3 to 6 months	9.15%
(ii) above 6 months - upto 9 months	9.40%
(iii) above 9 months - upto one year	9.90%
(iv) above one year - upto two years	10.30%

*** Subject to payment of instalments on or before due date.**

ARay

2. **Interest shall be charged on monthly compounding basis.** In case of :

i. Term Loans through State Govts., payment of interest shall be made annually,
ii. Term Loans under Direct Funding, payment of interest shall be made half yearly; and
iii. Working capital Loans, payment of interest shall be made at such intervals as indicated in the sanction/release letters.

Note:

(a) In case payment of the installment is not received on or before due date, Normal Rate (effective + 1%) would be applicable.

(b) Penal rate of interest in case of default will continue @ 2.5% over and above Normal Rate.

(c) Interest will be charged as applicable at the time of release of funds.

(d) Weaker section programmes:

(i) Fisheries

(ii) Tribal/ SC & ST/ Hill Area Cooperatives

(iii) Dairy

(iv) Poultry

(v) Handloom

(vi) Coir, Jute & Tobacco

(vii) Sericulture

(viii) Women Cooperatives

(ix) Labour Cooperatives

3. Period of Term Loans will be upto 8 years. Period for margin money assistance (loan) will be upto 5 years and working capital loan will be provided upto 2 years.

4. Moratorium on term loans for the projects/ godowns will be upto 3 years, depending on gestation period of the project. For margin money, working capital and investment loan to State Governments for share capital participation, there will be no moratorium.

5. In case of direct funding, processing fee shall be charged @ 0.5% of the sanctioned amount, not exceeding Rs.3 lakhs (0.5% of Rs.6 crores) in each case. However, processing fee shall not be charged for working capital loans upto one year.

6. Other terms & conditions as contained in Corporation's letter of even number dated 15th October, 1984 shall continue to be applicable.

Yours faithfully,

(A.K.Pal)
Chief Director(Finance)

Copy to:

1. The Registrar of Cooperative Societies,
All States & Union Territories.

2. The Secretary In-charge, Fisheries Department,
West Bengal, Maharashtra, Karnataka, Gujarat, Kerala, Tamilnadu, Andhra Pradesh, Telangana, Orissa, Manipur, Tripura, Assam, Nagaland.

3. The Addl. Secretary (Cooperation & Credit),
Ministry of Agriculture & Farmers Welfare, Deptt. of Agri. & Coop,
Krishi Bhawan, New Delhi.

4. The Joint Secretary (Cooperation & Credit),
Ministry of Agriculture & Farmers Welfare, Deptt. of Agri. & Coop,
Krishi Bhawan, New Delhi.

5. Director of Fisheries,
West Bengal, Maharashtra, Karnataka, Gujarat, Kerala, Tamilnadu, Andhra Pradesh, Telangana, Orissa, Manipur, Tripura, Assam, Nagaland.

6. SPS to MD/DMD/ED.

7. All Chief Directors/Directors, NCDC, H.O.

8. All Regional Directors, NCDC.

9. All Advisers, NCDC, New Delhi.

10. Chief Director (Topic), NCDC, Gurgaon.

(A.K.Pal)
Chief Director(Finance)

COMMON
LOAN APPLICATION FORM

FOR

PROJECTS

(OILSEEDS, FOODGRAINS, PLANTATION CROPS, SUGAR, TEXTILES, FRUIT &VEGETABLES, OTHER PROCESSING, STORAGE & COLD STORAGE, INDUSTRIAL COOPERATIVES, DAIRY POULTRY & LIVE STOCK)

NATIONAL COOPERATIVE DEVELOPMENT CORPORATION

4-SIRI INSTITUTIONAL AREA, HAUZ KHAS,
NEW DELHI - 110016

NATIONAL COOPERATIVE DEVELOPMENT CORPORATION

Common Loan Application Form for Projects

****

PART – A (general information about the borrowing coop.)

▪ Name & address of the applicant society	:	
▪ Telephone/ Fax/ e.mail address	:	
▪ Registration No. and date	:	
▪ Board of Management	:	Elected or Nominated : __________ Date of Election/Nomination : __________ No. of Directors: General: ______ SC: ______ ST: ______ Women: ______ (Brief Bio-data of Board Members & Promoters may be attached)
▪ Present activities	:	
▪ Proposed activities/project	:	

▪ Membership & paid up share capital as on 31st March…..	:	Category of membership	No. of members	Paidup share capital (rs. in lakhs)
		Grower members General: SC: ST:		
		Coop. Socys.		
		Other Members		
		State Govt.		
		Total:		

☐ Financial Status of the Cooperative

I. Summarised Profit & Loss Accounts of preceding 3 years.

(Rs. in lakhs)

1	Business turnover			
2	Gross profit before Interest, Depreciation and Tax			
3	Interest			
4	Cash profit (2-3)			
5	Depreciation			
6	Profit before tax (4-5)			
7	Income Tax			
8	Net profit (6-7)			

II. Summarised Balance Sheets of preceding 3 years

1	Gross Block			
2	Depreciation			
3	Net Block (1-2)			
4	Work in Progress			
5	Investments			
6	Total Fixed Assets (3+4+5)			
7	Current Assets i. Cash, Bank Balance & Deposits ii. Inventory iii. Sundry Debtors iv. Loans, advances and Prepaid expenses v. Others, if any			
8	Current liabilities i. Working capital loan ii. Sundry Creditors iii. Interest payable iv. Short term loans v. Other provisions and liabilities			
9	Net Working capital (7-8)			
10	Long term loans & deposits			
11	Paid up share capital			
12	Reserves (excluding depreciation)			
13	Un-distributed Profits (+) Accumulated loss (-)			
14	Net worth (11+12+13)or (6+9-10)			

15	Net Disposable Resources (10+11 +12+13-6) (for margin money)			

***Tentative figures may be given in case accounts have not been finalized.**

PART B – ABOUT THE PROPOSED PROJECT

☐ **Project description**

Type of Project:-	**Capacity per day/per year (in tons):-**
Project Location:-	
Products/By-products to be produced/processed/stored	
In case of expansion/modernization, please indicate : • **Existing Capacity :** • **Expansion of capacity proposed :** • **Capacity after expansion/modernization :**	

Raw material production in the area of operation (preceding 3 years):

Year	Name of the raw material	Area under cultivation (hec.)	Total Production (tons) (a)	Present Consumption/ Utilization (tons) (b)	Marketable Surplus (tons) (a-b)
1					
2					
3					

Members' Production of raw material	**Area (ha.) : ________** **Production (tons): ________**
Area of operation of the society(AOO).	**Districts in AOO (names): ________** **Villages in AOO (Nos.): ________**

☐ **Details of overall position of similar units in the area of operation**

(Capacity in tons)

Sector	Nos.	Capacity		No. of Units			
				In operation		Closed	
		Per day	Annual	No.	Cap.	No.	Cap.
Private							
Cooperative							
Others							
Total:							

□ **Performance of the existing units of the borrowing cooperative for preceeding 3 years**

	Existing Units	Unit-I	Unit-11	Unit-II	Unit-IV
1	Installed capacity				
2	Capacity Utilisation(%)				
3	Gross Profit (Rs.in lakhs)				
4	Net Profit/Loss(+/-) (Rs.in lakhs)				

(i) Audit Reports for the preceding 3 years alongwith compliance reports.
(ii) Audit classification (yearwise) for the preceding 3 years

□ **Project Cost**

1	Land & land development	
2	Building & Civil works	
3	Plant & Machinery	
4	Misc. fixed assets	
5.	Contingencies	
6	Pre-operative expenses	
7	Margin money for raising working capital	
	Total	

□ **Means of Financing**

		Percentage of block cost	Amount (Rs. in lakhs)
a)	Share Capital by the State Govt		
b)	Members' share capital		
c)	Subsidy/grant-in-aid		
d)	Term loan from NCDC		
	Total		

Financial bench marks for the proposed project:

a)	Internal Rate of Return (IRR)	
b)	Debts Service Coverage Ratio (DSCR)	
c)	Break Even Point (BEP)	

- **Marketing Plan/Strategy** :
  (A comprehensive note may form part of the DPR)

- **Implementation schedule** :
  (A Bar Chart covering the following activities may form part of the DPR)

	Commencement	Completion
Acquisition of land		
Development of land		
Factory building		
Auxiliary buildings		
Machinery foundation		
Erection of plant & machinery (P&M)		
Arrangement for power		
Arrangement for water		
Trial runs		
Commercial production		

ADDITIONAL DETAILS FOR SOCIETIES APPLYING FOR STORAGE GODOWNS

1 EXISTING GODOWN (S)

(A) Godown (s) available with the society

		No.	Cap.(tons)
(i)	Owned		
(ii)	Hired		
(iii)	Godown under construction		

(B) Expenditure incurred on Storage in the preceeding 3 years

(Rs. in lakhs)

		Year		
(i)	Rent Paid			
(ii)	Transportation/handling/other charges			
(iii)	Total			

(C) capacity utilization of owned godowns in preceeding 3 years

Year			
%			

2 PROPOSED GODOWN

(Rs. in lakhs)

		Location	No.	Cap.(tons)	Project Cost
(i)	Construction				
(ii)	Renovation/Expansio				

01

3 AVAILABILITY OF LAND

Location	Area	Municipal area (Yes/No)

4 BUSINESS UNDERTAKEN IN PRECEEDING 3 YEARS/PROJECTIONS FOR NEXT 3 YEARS

(Rs. in lakhs)

	Actual						Projections					
Year												
	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
a) Credit												
i)ST												
ii) MT&LT												
Total												
b)Non-credit												
i) Marketing												
ii)Input												
iii)Consumer												
iv)Others												
Total												

Q = Quantity in tons
V = Value (Rs. in lakhs)

☐ **Details of assets to be mortgaged (applicable in case of direct funding)**

(Rs. In lakhs)

Description of Assets	Yr. Of Acquisi-tion	Cost of acquisi-tion	Depreci-ation	Book Value	Market Value	Whether charged/mortgaged/free from encumbrances	To whom Mortgage	Against what amount of loan
i)								
ii)								
iii)								
Total:								

☐ Status of loan already availed from financing institutions including NCDC

(Rs.in lakhs)

Loan sanctioned		Loan availed		Repayments made so far		Outstanding as on date
Amount	Date	Amount	Date	Amount	Date	

☐ Of the above term loans defaults to financial institutions such as NCDC / others Bank/State Govt.

	Amount (Rs. in lakhs)				Period of default
	Principal	Interest	Other	Total	
NCDC					
Other Fis					
Banks					
State Govt					

Note: In case the space is insufficient, details may be given in a separate sheet.

\

PART-C CHECK LIST

(Please tick (√) in the box against the documents enclosed)

☐ Detailed Project Report (DPR) should necessarily contain the following

- Brief description of the project ☐
- Industry scenario (National,State & the Area specific) ☐
- Policy of State Govt. with regard to proposed activity/industry. ☐
- Existing capacity (private/public sector and cooperatives), its utilisation and performance ☐
- Scope for creation of additional capacity. ☐
- Problems, if any, in optimum utilization of the capacity ☐
- Production and availability of raw material in the area of operation, district and state in the preceding 3 yrs. (duly authenticated) and projections for next 3 years. ☐
- Availability of animals / day old chicks (DOC) / grazing ground / green product / dry fodder / concentrate feed, medicines, veterinary aid breeding centre etc. and training facilities. <u>(applicable in respect of dairy, poultry and live stock projects.)</u> ☐
- Details of cooperative linkages –forward as well as backward (for procurement of raw material & marketing of finished goods). ☐
- Demand and marketability of the product (s)
- Marketing plan / Strategy ☐
- Implementation sche dule in the form of a Bar Chart ☐
- A note on power situation & efflulent treatment ☐

☐ <u>Viability Analysis</u>

- Assumptions made for working out financial viability
- Projected cash flow statement (for 8 years)
- Internal Rate of Return (IRR)
- Break even point (as % of installed capacity)

- Debt Service Coverage Ratio (DSCR)

- Sensitivity Analysis
- Manpower requirements alongwith annual emoluments
- Site details ; location, requirement of land (measurement of land) and acquisitions alongwith supporting documents
- Plan & cost estimates for Civil Works (duly certified by qualified Architect/ Engineer) and Plant & Machinery (componentwise) , Fixed assets (duly supported by quotations).
- Technology, process flow diagram, material balance, etc.
- Estimates of margin money and working capital requirement

☐ ENCLOSURES

- No-overdues certificate as per proforma enclosed.
- Resolution of Board of Directors for the proposal.
- Plan/source of raising members' equity/ Promoters' contribution.
- Security cover for the loan.
- Summarised profit & loss a/c and balance sheet in prescribed proforma duly certified by a Chartered Accountant .
- Licensing requirement for the proposed activity (enclose copy of license or specify status)
- Pollution control clearance (enclose copy or specify the status)
- Other statutory requirements/clearances, if any, and their status
- Power requirement and power scenario in the State

8

- Power supply arrangements, specify status. ☐
- Fiscal and other incentives, if any, by State Govt. ☐
- Water supply arrangements, specify status. ☐

Authorised signatory

Name : ____________________
Designation: ____________________
Seal of the Society: ____________________

Place: __________
Date: __________

61

12

NO OVERDUES CERTIFICATE

1. This is to certify that ______________________(name of the society), as on date, is not in default in repayment of loans and payment of interest to NCDC and any Financial Institution/ Bank OR

Position of default in repayment of dues by the society to NCDC and other institutions as on date is as follows:

Name of Lending Institution/ Bank	Loan received		Principal repaid	Outstanding dues			
	Date	Amount		Principal		Interest	Total
				Overdue	Not yet due		

2. It is also certified that other cooperatives on which Directors of our Board are Directors or associated with are not in default in repayment of loans and payment of interest to NCDC and any Financial Institution/ Bank as on date. OR

Position of default in repayment of dues by the Cooperatives on which Directors of our Board are Directors or associated with is as follows:

Name of Director	**Name of defaulting cooperative society**	**Nature of Financial Institution/ Bank**	**Name of Financial Institution / Bank**	**Amount of default**	**Reasons and period of default**

(Chief Executive of the Society)

Place:
Date:

Note : Strike out which is not applicable

GOVERNMENT OF INDIA

MINISTRY OF WOMEN & CHILD DEVELOPMENT

Revised Guidelines and Application format

On

SUPPORT TO TRAINING AND EMPLOYMENT PROGRAMME FOR WOMEN (STEP)

2014

1. INTRODUCTION AND NEED FOR THE SCHEME

India has the advantage of a “demographic dividend” due to its large and growing population in the 15 to 59 year age group estimated to be upwards of 600 million currently. This large working age population can make a significant contribution to the country’s growth provided it is equipped to be productive. Skills and knowledge are the driving forces of economic growth and social development of country. They have become even more important given the increasing pace of globalization and technological changes, both challenges that are taking place in the world.

India’s vocational training infrastructure is inadequate to meet the diverse and many skill requirements of the population. While almost 90% of the 450 million jobs in India require vocational skills, currently only 7% of youth (15 to 29 years) receive any kind of formal or informal vocational training. Taking cognizance of this deficit between demand and supply, the Government has set an ambitious plan training 500 million individuals by 2022, translating to training 42 million a year.

With respect to women, there has been recent concern lately about the decline in women’s workforce participation in India. The large sample surveys of the National Sample Survey Office (NSSO) on employment and unemployment suggest that between 2004-05 and 2011-12, women’s recorded work participation in age group 15+ declined from 33.3 percent to 25.3 percent in rural areas and 16.6 percent to 14.7 percent in urban areas. This makes India’s position unique in that women’s work participation appears to have fallen even as national income has risen rapidly.

One explanation, which explains drop in participation within each income segment, is because of a shortage of job opportunities for those with low or medium levels of skills outside agriculture. Therefore, India needs to create more low- and medium-skilled jobs to give women a route out of subsistence work. Non-governmental organizations will be vital to ensure women build job-relevant skills, even in the absence of formal education.

The situation of the next generation could be radically different. A doubling of secondary and tertiary education (for girls and boys) accounts for the other half of India’s falling overall participation rate as more young people are in education rather than in work. The evidence today is that the enrolment of girls and women in schools and colleges is on a par with that of boys and men in many parts of the country. These strides in educational provision will change India for the younger generation.

But to transform the lives of the mothers of that generation—India needs skill-training programmes on a large scale. The aim of skill development, particularly in case of women, is not merely to prepare them for jobs, but also to improve the performance of women workers by enhancing the quality of work in which they are engaged.

MWCD through its STEP Programme has been contributing in a small way to address occupational aspirations of poor women who do not have the opportunity of formal skill training. The STEP Programme a 100% Central Sector Scheme is under implementations since 1986-87. Training is provided to poor and marginalized women in traditional trades which are largely in the informal sector. The Programme of STEP advocates the objective of extending training for up-gradation of skills and employment for women through a variety of action oriented projects.

Based on the experience gained from the implementation of the scheme during the 11th plan and based on evaluation report of National Institute of Administrative Research (NIAR), Mussorrie submitted in September, 2013 for the 11th Plan period and also the advice given by the Ministry of Finance and the Planning Commission, it is decided to revise the scheme guidelines for strengthening of the existing programme components and thus make the programme more effective in achieving the envisaged objectives.

With the emphasis on Skill Development for self or wage employment and greater inclusive growth in the 12th Plan, it is envisaged to revise the STEP Guidelines in 2014 and introduce new trades.

2. OBJECTIVES OF THE SCHEME

The scheme has 2 fold objectives viz.

a) To provide skills that give employability to women.

b) To provide competencies and skills that enable women to become self-employed/entrepreneurs.

3. TARGET GROUPS

The scheme is intended to benefit women who are in the age group of 16 years and above.

4. ELIGIBLE ORGANIZATIONS/ PROJECT IMPLEMENTING AGENCIES (PIAs)

Grants-in-aid under the STEP programme may be given to an institution having a distinct legal entity, to:

(a) Institutions or organizations set up as Autonomous Organization under a specific statute or as a society registered under the Societies Registration Act, 1860 or Indian Trusts Act, 1882 (Not for profit) or other statutes.

(b) Voluntary organizations or Non-Government Organizations registered under the Societies Registration Act, Indian Trust Act carrying out activities which promote the objectives of the STEP programme, with adequate financial and other resources, credibility and experience of the type of activities to be undertaken.

(c) Co-operative Societies.

The organization must be in existence at least for 3 years, and have carried out activities for imparting skills related to employability and entrepreneurship for at least 3 years. At the time of filing the application, the organization must have a positive net worth in at least 2 previous years.

5. SECTORS/TRADES COVERED

Assistance under the STEP scheme will be available in any sector for imparting skills related to employability and entrepreneurship, including but not limited to the following:

Agriculture

Horticulture

Food Processing

Handlooms

Tailoring, Stitching, Embroidery, Zari etc

Handicrafts

Computer & IT enabled services along with soft skills and skills for the work place such as spoken English.

Gems & Jewellery

Travel & Tourism

Hospitality.

6. NUMBER OF BENEFICIARIES

Approval would be given only for such number as are considered viable and the maximum number of beneficiaries in a project shall not exceed 200.

Training will be imparted in batches with numbers of trainees that are manageable, within the infrastructure and training capacity of the organization and in groups that can be imparted due attention by the instructors. For trades that use equipment/ small machines/ computers, the batches will typically be determined by the number of such equipment that is available.

7. PROJECT DURATION

A particular project will be for a maximum duration of 18 months, including time set aside for post-training activity evaluation.

Training courses/ modules will necessarily be of shorter duration, with a maximum of six months for a course in exceptional cases, and typically of three month duration.

Courses of shorter duration than two months will also be exceptional, needing a justification to be provided by the applying organisation.

8. FUNDING NORMS FOR ASSISTANCE

The financial assistance under STEP will be subject to the following limits:

S. No	Cost Item	Ceiling per beneficiary (3 month course)	Ceiling per beneficiary (6 month course)
1.	Training Cost	Rs. 14,000	Rs. 20,000
2.	Food & Travel Cost	Rs. 4,000	Rs. 8,000
	Total Cost	Rs. 18,000	Rs. 28,000

Training is expected to be for six days each week, with a training time of six hours per day, exclusive of breaks for travel, lunch i.e. a minimum of 432 hours and 864 hours for 3 and 6 months courses respectively. The focus should be on hands on training and not on assessment or certification.

(i) The cost of providing refreshments may not exceed Rs. 40 per day per beneficiary.

(ii) Project costing may include heads like mobilization of beneficiaries, preparation of curriculum, equipment, raw material, and teaching aids. Acquisition costs of equipment may form a part of the project, but may not exceed 10% of the project cost supported by the Ministry of Women & Child development.

Under the STEP scheme, financial assistance to meet a maximum of 90% of the project cost can be sanctioned by the Government of India. The remaining 10% will have to be borne by the implementing agency from its own resources.

9. APPLICATION PROCESS / SUBMISSION OF PROPOSALS

a) The Ministry will invite applications for fresh proposals under revised guidelines 2014 through advertisement in newspapers and official website.

b) The applications will be examined by Central Project Support Unit (CPSU) which will be constituted by the Ministry for this exercise. All proposals with recommendations shall be placed before the Project Appraisal Committee.

c) Project proposals under the STEP scheme should be submitted to Under Secretary (STEP), Ministry of Women and Child Development, Shastri Bhawan, New Delhi. All new proposals will be submitted in the Application Format (Annexure-I) along with the documents as mentioned in (Annexure-II).

d) Ongoing projects will continue to be funded as per the existing guidelines (2009).

e) Proposals received from State Governments (except the ones already sanctioned) under the STEP 2009 Guidelines shall automatically stand null and void with the issue of Revised STEP Guidelines, 2014.

f) The interested/willing organizations may apply for projects as per the Revised STEP Guidelines, 2014.

10. APPRAISAL OF THE PROJECTS

To ensure proper evaluation of the projects, the Ministry may utilize the services of government agencies like Office of Development Commissioner (Handloom), Office of Development Commissioner (Handicrafts), Indian Council of Agricultural Research etc. Services of reputed agencies like NPC, NABARD, TISS, NIESBUD etc. may be taken in special cases, wherever needed.

11. PROJECT APPROVAL

The proposals will be considered by the Project Appraisal Committee (PAC). The PAC will be headed by an officer not below the rank of Joint Secretary of the Ministry of Women & Child Development, Government of India. It will have representatives from Central Government Ministry/Department representing the sector, Planning Commission, Integrated Finance Division of the Ministry and respective State/UT Govt. The representative of the implementing agency may be called for the PAC meeting to explain the details of the project. The criteria indicated in Annexure-VIII will serve as a guide for the PAC. The Project Appraisal Committee shall meet once in two months to consider all proposals. The recommendations of PAC will be submitted to Secretary, MWCD to take a final decision on the project proposal.

12. RELEASE OF GRANT-IN-AID

The release of funds for a project would be carried out in the following manner:

(i) At inception of the project, subsequent to the approval and receipt of requisite documents including the bond, the first release would be made covering up to 100% non-recurring expenditure. Component elements in this category would include expenditures on acquisition of minor equipment. In addition, raw materials and consumer requirements for the first half of the project would be released including stipend for trainees, sustenance costs for training and documentation cost of the training.

(ii) For project of one year duration or less, the number of installments for which grants is released would ordinarily be kept to two. For projects of more than a year, but less than 18 months, the installments would ordinarily be kept to three.

(iii) The project period shall commence from the date of release of first installment of financial assistance.

(iv) For release of second and/or subsequent installments the implementing agencies shall be required to furnish the following documents (as per Annexure III) :

   a. Project Accounts duly audited by CA.

   b. UC of the previous grant certified by CA.

   c. Recommendation from District Women Welfare Committee.

   d. Progress Report indicating the activities carried out after the release of previous grant.

13. MANAGEMENT INFORAMTION SYSTEM (MIS)

The PIA will submit progress report (Annexure V of Guidelines), indicating the activities carried out during the period after the release of previous grant, at the time of request for release of second / subsequent installment.

14. CONCURRENT MONITORING OF STEP PROJECTS

Monitoring is continuous process. The MWCD may engage a specialized Technical Support Agency (TSA) to conduct concurrent monitoring and random checking of physical and financial reports forwarded by the PIA. Each and every project will be monitored on a concurrent basis by a TSA identified by the Ministry from the list of evaluating agencies provided by Planning Commission.

The TSA will inter-alia ensure:

- updation of required MIS entries by the PIA,
- PIAs adherence to transparency norms,
- maintenance of training centres of PIAs;
- ensure quality of training and participation of trainees;

About 5% of the annual allocation will be earmarked for expenditure towards engagement of TSAs.

15. AUDIT

The MWCD retains the right to carryout audit of the accounts of the project if deemed necessary, including audit by CAG and by PAO of the Ministry or by independent agency. The PIA shall make all relevant records for the purpose when requested by an agency authorized by Ministry.

Financial Audit is to be carried out by the CA of the PIA as per statutory provisions. Accounts of the project of STEP shall be maintained separately by the PIA to facilitate meaningful audit.

16. OTHER CONDITIONS FOR ACCEPTANCE OF GRANT-IN-AID UNDER STEP SCHEME

(i) All sanctions of the M/o WCD will be issued in favour of the implementing organisation and not to individuals.

(ii) The grantee organization/institution shall maintain a separate account of the grant-in-aid provided by the M/o WCD for undertaking a project.

(iii) The grantee organization/institution shall not accept any financial assistance from any other source(s) for the same project without the prior permission of the M/o WCD.

(iv) The grantee organization/institution shall furnish a progress report of the project along with a statement of expenditure for release of subsequent grant. The organization/ institution shall record a certificate to the effect that the expenditure has been incurred in accordance with the sanctioned grant.

(v) The persons employed in the project will be treated as the employees of the organization/ institution and not of the Government of India and the conditions of their service will be governed in accordance with the rules and orders of the organization applicable to such persons.

(vi) The scheme will not finance any capital expenditure on lands or buildings.

(vii) The organization/ institutions will have to execute a bond in favour of the M/o WCD on judicial stamp paper of Rs. 100/-. (Annexure VII)

(viii) On completion of the project, the organization/ institution shall submit final report along with supporting documents such as photographs and utilization certificate for the grant-in-aid.

(ix) The applicant organization will issue a certificate to the trainees on the course imparted after their successful completion of the training.

(x) The applicant organization will submit the proposal in the prescribed application format with necessary documents as per Annexure I & II of the guidelines.

(xi) Unspent amount of grant-in-aid released by M/o WCD will be refunded to the M/o WCD along with interest accrued through PAO, M/o WCD.

(xii) The unsatisfactory performance/non-performance of the organization would mean refund of grant-in-aid along with interest accrued to M/o WCD through PAO, M/o WCD. (If the NGO does not abide by its commitment made in its proposal on number of trainees to be trained / training infrastructure to be provided / training material etc. at the time of completion of the project the money will be refunded).

(xiii) M/o WCD reserves the right to blacklist the organization if it is implementing these projects in an unsatisfactory or improper manner.

(xiv) In the event of a Court Case, the organization/implementing agency shall not be entitled to any grant-in-aid till the matter is pending in the court of law. The M/o WCD will not be responsible for any legal/intellectual/contractual disputes between organization/implementing agency and a third party. By accepting the grant, the recipient accepts this condition.

*****

ANNEXURE - I

APPLICATION FORMAT

Support to Training and Employment Programme for Women (STEP)

PART A- ORGANISATION

1. Name and full Postal address of the head office of the Organisation
   (a) District
   (b) State
   (c) Pin Code
   (d) Telephone No. with STD code
   (e) Fax No.
   (f) Mobile No.
   (g) E mail ID

2. Name and full Postal address of the Project in-charge
   (a) Name
   (b) Address
   (c) Telephone No. with STD code
   (d) Fax
   (e) Mobile No.
   (f) E mail ID
   (g) Aadhar Number

3. Bank details of the organization:

4. Do the bye-laws of the organization permit it to receive Govt. grants and implement women's programme in the project area?

5. Whether registered under Indian Societies Registration Act, 1860 Indian Trusts Act, 1882?

(a) Registration No.
(b) Date of Registration
(c) Period of Validity

6. Capability and Capacity of the organization:

(a) Infrastructure Available
i. Details of trainers and other employees (Qualification, Age, Experience, Salary etc.)
ii. Land and buildings owned by the organisation
iii. Training equipment owned by the organisation

(b) Organizational Capacity including past experience in skill development and training (Last 3 years)

Project already executed	Beneficiaries covered (Men and Women)	Project cost	Source of funding

(c) Financial Status of the organization in last 3 years

Year	Assets & Liabilities	Income & Expenditure	Receipt & Payment	Surplus/Deficit

7. Details of grants received during the last 3 years

Source of Funding	Date/Period	Amount	Project Details	Whether completed

8. Whether affiliated to National Skill Development Corporation (NSDC)? (If yes the details thereof.)
9. Has the performance of the organisation being evaluated by any recognized /reputed independent agency during last three years? (If yes, the details thereof)
10. A write-up by the organization describing why the project should be entrusted to the organization including value addition proposed by the organisation

Signature with office stamp

Date

PART B- PROJECT DETAILS

1. Sector/trade of the Project

2. Duration of the project

3. Total no. of beneficiaries

4. Project Area

5. Basis of selection of the beneficiaries

6. Cost of the project – (Item wise, Course-wise, Recurring and Non-recurring)

   (Detailed proposal to be attached)

7. Cost per beneficiary

8. Physical targets with respect to cost component (Course wise and Item wise)

9. Details of Training:

   a. Topics to be covered during the training
   b. Period of training including hours of training (Theory and Practical)
   c. Educational qualification and experience of trainers
   d. Undertaking of having linkages with the training agency in case the training is to be provided by an outside agency. (If applicable)
   e. Undertaking to provide certificates to beneficiaries on completion of training/skill up gradation course.

Signature with office stamp

Date

DOCUMENTS TO BE ATTACHED TO THE APPLICATION AND FOR RELEASE OF INITIAL GRANT

1. Attested Copies of Audited Statement of Accounts (for preceding three years).

2. Annual Report for three preceding years.

3. Proof of experience in the sector concerned.

4. Copy of Registration Certificate.

5. Undertaking regarding training linkages (if applicable).

6. Undertaking to provide certificate on completion of training.

*****

DOCUMENTS REQUIRED FOR RELEASE OF SUBSEQUENT GRANTS

(As mentioned in para 12 of Guidelines)

1. Utilization Certificate (UC) of previous grant-in-aid released duly audited by Chartered Accountant (as per Annexure VI).
2. Audited Statement of Accounts duly audited by Chartered Accountant.
3. Progress Report (Annexure V) indicating the activities carried out after the release of previous grant.
4. Recommendations of the District Women Welfare Committee (Annexure IV).
5. Action Taken Report on the recommendations of the Evaluation Agency (if applicable).
6. Pre Stamped Receipt.
7. Bond on a Stamp Paper of Rs. 100/- (Annexure VII).

Recommendation by District Women Welfare Committee

1. Name and full address of the Organization
2. Name of the Scheme for which application is made
3. Name and designation of the Officer who inspected the organization
4. Physical progress of the project activities as on date of inspection
5. Financial progress as on date of inspection
6. Do you agree with report of the inspecting officer and inspecting officer and if not reasons thereof?
7. Is the Organization implementing the project applied for? Please give reasons / justifications.
8. Is there any complaint the organization regarding miss-utilization of funds or any other irregularities committed by the organization?
9. What is the justification for the project applied for?
10. Is the proposal recommended for sanction / release of grants?

Signature
(Name)
Designation with official seal

Date:

ANNEXURE- V

PROGRESS REPORT

(To be submitted for preceding 6 months by Project in charge)

PART-A - FINANCIAL PROGRESS

1. Component-wise total budget allocation for the current installment and actual expenditure incurred by the organization during the preceding 6 months

Sl. No.	Items	Budget Allocated (For the complete project) Amount (Rs. In Lakhs)	Actual Expenditure during the preceding 6 months Amount (Rs. In Lakhs)	Cumulative Expenditure till date Amount (Rs. In Lakhs)
a.	Training cost			
b.	Food and Travel Cost			
Total				

PART-B - PHYSICAL PROGRESS

1. Physical targets fixed for the current installment and targets achieved by the organisation during the preceding 6 months

Sl. No.	Items	Physical Targets (For the complete project)	Physical Targets achieved during the preceding 6 months	Cumulative Physical Targets achieved Till date
a.	Training cost			
b.	Food and Travel Cost			
Total				

(Signature)
Name & Seal

Date:

ANNEXURE-VI

Form GFR 19 – A

UTILIZATION CERTIFICATE

<table>
<tr><td>Sl. No.</td><td>Letter No. & Date</td><td>Amount</td><td rowspan="2">Certified that out of Rs……………/- (Rupees …………………… only) of Grants–in-aid sanctioned as ………. installment of ………. year for the F.Y. ………………. in favour of M/s ………………………………………………………… ……………………………………under the Ministry of Women & Child Development, Govt. of India vide letter No. & date given in the margin and Rs. …………/- (Rupees ………….) on account of unspent balance of the previous year, a sum of Rs. …………………/- (Rupees …………… only) has been utilized during the period from ……………… to…………………..for the purpose of running the STEP project of Ministry of Women & Child Development and a balance amount of Rs. ……………/- remaining unutilized at the end of the said period has been surrendered to the Govt.(vide No……..dated…….) or will be adjusted towards the amount of the grant payable for the next installment.</td></tr>
<tr><td>1.</td><td></td><td></td></tr>
</table>

2. The amount of Rs………………. /- (Rupees ……………… only) released by the Ministry of Women & Child Development, Govt. of India has already been spent by the organization for running the STEP project.

3. Certified that I have satisfied myself that the conditions on which the Grant-in-aid was sanctioned have been duly fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised:

1. Cash Book, Ledger, Journal.
2. Bills, Vouchers, Register and other records maintained by the organization.
3. Bank Account.

Place:
Date:

Signature

CHARTERED ACCOUNTANT

(Name & seal)

(Please see guidelines for certifying the accounts and endorsing utilization certificates in respect of Government Grants.)

(GUIDELINES FOR CHARTERED ACCOUNTANTS/GOVERNMENT AUDITORS)

1. The Auditors certifying the accounts and endorsing Utilization Certificates in respect of Government grants should bear in mind the following points.

2. If the number of beneficiaries in the STEP Project is below/above the prescribed limit, the expenditure will vary accordingly at the prescribed rate agreed to by the Project Sanctioning Committee.

3. A separate register for inventories e.g. equipments, machinery, furniture and other assets be maintained indicating the value of the items at the time of purchase in GFR FORM 19.

4. In case a particular post has been lying vacant for specified period the salaries against that should not be claimed.

5. The Accounts for Ministry of Women & Child Development grants for STEP Project should be prepared separately. Further, in the consolidated Audited Account of the Organization, the expenditure towards this scheme should be shown separately under the Head “Support to Training and Employment”. As far as possible, only the expenditure clearly under each sub-head incorporated in the schematic pattern.

*****

ANNEXURE-VII

(BOND to be executed by grantee agency/ organization on Rs.100/- Stamp Paper)

KNOW ALL MEN BY THESE PRESENTS THAT we the ____ (Name of the organization as in Registration Certificates) an organisation registered under ________having been registered by the Office of _____________________________________(Name and full address of Registering Authority), vide Registration Number _______ dated________ Office at ______________ in the State of _____________ (herein after called the obligor/obligors) are held and firmly bound to the President of India (hereinafter called the Government) in the sum of Rs.____________ (in words Rs. ___________only) with interest therein @10% per annum well and truly to be paid to the President on demand and without demur, for which payment we bind ourselves and our successors and assigns by these presents.

2. SIGNED this __________ day of __________ in the year Two thousand and ________.

3. WHEREAS the obligors has sent a request proposal to Government, through the Union Ministry of ____________ for Grants of Rs._________ vide his letter number ______ dated; the obligors has agreed to execute this bond in advance, in favour of Union Ministry of ___________________ for entire amount of Rs.____________ as requested in the proposal sent to the Government. The obligor is willing to accept the proposed amount or any other amount approved/sanctioned by the Government. The obligor is willingly executing this bond of proposed amount with the stipulation that obligor will be bond up to this amount or by the actual amount approved/sanctioned by the Government, whichever is less. The obligor is also willing to accept all terms and conditions mentioned in the "Letter of Sanction" to be issued by the Government.

4. Now the condition of the above written obligation is that if the obligors duly fulfill and comply with all the conditions mentioned in the letter of sanction, then above written bond or obligation shall not be enforceable. But otherwise it shall remain in full force and virtue. If a part of the grant is left unspent after the expiry of the period within which it is required to be spent, the obligors agree to refund the unspent balance along with interest at the rate of 10% (ten percent) per annum unless it is agreed by the sanctioning authority to be carried over to the next financial year. The amount of grant shall be refunded along with interest earn thereon.

5. The organisation agrees and undertakes to surrender/pay to Government the monetary value of all such pecuniary or other benefits which it may receive or derive/have received through/upon unauthorized use (such as letting out premises for adequate or less than adequate consideration or use of the premises for any purpose other than that for which the grant was intended) of the property/building or other assets created/acquired/constructed largely from out of Government grant. The decision of the Secretary to the Government of India in the Ministry of Women and Child Development or the administrative Head of the Department concerned shall be final and binding on the organisation, in respect of all matter relating to the monetary value mentioned above to be surrendered/ paid to the Government.

6. The member of the executive committee of the grantee will (a) abide by the conditions of the grants in aid by the target dates, specified in the letter of sanction and (b) not divert the grants or entrust execution of the scheme or work concerned to other institution (s) or organization (s); and (c) abide by any other conditions specified in the agreement governing the grants in aid.
In the event of grantee failing to comply with the conditions or committing breach of the conditions of the bonds, the signatories to the bonds shall be jointly and severally liable to refund to the President of India, the whole or a part amount of the grant with interest @10% per annum thereon.

7. AND THESE PRESENTS ALSO WITNESS THAT

(i) The decision of the Secretary to the Government of India in the Ministry of Women and Child Development on the question whether there has been breach or violation of any of the terms and conditions mentioned in the sanction letter shall be final and binding on the obligors; and
(ii) The Grantee/Obligors shall bear the stamp duty payable on these bonds.

In witness whereof these presents, bond has been executed as under on behalf of the obligors and day herein above written in pursuance of the Resolution No................. dated............ passed by the Governing Body/Executive Committee of the obligors, a copy whereof is annexed hereto as Annexure B.

( )
Signed for and on behalf of
Signature of the grantee

Name of the Obligor Association, as

1. Registration Number of Association Registered.
   Full Mailing Address
2. Date of Registration ________________
   Telephone Number/Mobile No. _____

3. Registration Authority (RA) ___________
   E-mail address (if available) _______
4. Mailing Address (RA) ________________
   FAX No.__________
5. Telephone Number/Email etc. of RA_____

(in the presence of) Witness name, address and signature:

(i)

(ii)

(Sign)
Accepted for and on behalf of the
President of India
Designation
Date
Name & Address

Criteria for evaluation of Expression of Interest by the PIAs

(i) Number of years of existence and operation of the PIA

(ii) Number of Social sector projects implemented by the PIA in last three years

(iii) Number of direct beneficiaries of the social projects in last three years.

(iv) Whether the performance record of the PIA has been evaluated by any recognized / reputed independent agency in last three years

(v) The number of social sector projects implemented by the PIA exclusively for women in last three years

(vi) Average Annual Turn Over of the PIA of last three years

(vii) Whether equipment for training are available with PIA

(viii) Whether affiliated with National Skill Development Corporation (NSDC).

Note: All documents submitted by the organization will be subjected to cross verification and if found wrong, the organization will be blacklisted.

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Schemes related to Dairy Development & Animal Husbandry under Ministry of Tribal Affairs

Following schemes under **Ministry of Tribal Affairs, GoI** can be taken up by Dairy cooperatives in tribal dominated areas.

I. Special Central Assistance (SCA) to Tribal Sub Plan (TSP) (allocated budget 1200 crore for 2014-15)[1]

The Special Central Assistance (SCA) is provided by the Ministry of Tribal Affairs to the State Government as an additive to the State Tribal Sub Plan (TSP). This assistance is basically meant for family-oriented income-generating schemes in the sectors of agriculture, horticulture, minor irrigation, soil conservation, animal husbandry, forests, education, cooperatives, fisheries, village and small scale industries and for minimum needs programme.

SCA is released for the economic development of the following:

- Integrated Tribal Development Project (ITDP) area contiguous large area in which ST population is 50% or more out of a total population.
- Modified Area Development Approach (MADA) pockets identification of pockets containing 50% or more of ST population out of a total population of 10000 and above.
- Clusters-identified pockets containing 50% or more ST Population out of a total population of 5000.
- Primitive Tribes-identified isolated communities among the STs characterised by the low rate of population, pre-agricultural level of technology and extremely low levels of literacy (so far 75 Primitive Tribal Groups (PTGs) have been identified.
- Assistance for Margin Money Loan Programme (MMLP) for Tribal Finance and Development Corporations in the States to implement MMLP.

[1] Extracted from website of Ministry of Tribal Affairs (http://tribal.nic.in/Content/SpecialCentralAssistancetoTribalSubPlanFirst.aspx)

The GOI guidelines for the scheme are as following:

- SCA is primarily meant for income generating family oriented schemes and infrastructure incidental thereto (not more than 30% of the total outlay).
- Wherever a scheme is provided for any Central Sector/Centrally Sponsored Schemes (CSS), SCA should not be utilised for the same. Rather, the allocations available under specific schemes can be availed of Major infrastructure development should be supplemented from the TSP flow, rather than being catered out SCA like roads, electrification etc.
- Schemes for funding demonstration units should not be financed out of SCA. Rather, the follow-up of demonstrations should be catered to looking to the Special disadvantages that the tribal funds themselves with. Tribal population below poverty line should alone be supported with SCA financed activities.
- In any specific schematic projects financed by outside agencies, both national and international, normally a part of the outlay is proposed as State Government contribution. Such contribution should flow from normally State Plan and not out of SCA.
- Wherever State Government Organizations like Tribal Development Cooperative Corporations (TDCCs) or Forest Development Corporations (FDCs) are dealing with schemes related to tribal welfare and development, the equity based should not be financed out of SCA, without prior approval of the GOI. This will lead to better monitoring of the concerned activities.
- SCA should be allocated by the State Governments/UT Administrations to the ITDPs and no part of SCA should be released to any department at the State level, Transfer of funds to implementing departments/agencies if required should be done by the ITDP to the corresponding officer of the implementing agency/line.

Avenues for Dairy Cooperatives

State Governments may incorporate dairy development and animal husbandry activities in Tribal Sub Plan (TSP) and in turn Cooperatives can avail grant/loan under this scheme to promote dairying as livelihood option in tribal dominated areas.

II. Scheme of Grant-in-Aid to State Governments under Article 275 (1) of the constitution of India (allocated budget 1317 crore for 2014-15)[2]

Grants are also given to States/UTs, under the first provision to article 275(1) of the Constitution to meet the costs of projects for tribal development and for raising the level of administration of Scheduled Area therein on par with the rest of the State/UT.

III. Equity support to National/ State Scheduled Tribes Finance and Development Corporations[3]

The scheme provides equity support to National Scheduled Tribes Finance and Development Corporation (NSTFDC) and State Scheduled Tribes Finance and Development Corporations (STFDCs) of various State Governments. STFDCs, catering to STs in various states, are provided assistance towards their Share Capital under this centrally sponsored scheme.

Components to be funded

Financial assistance of the Corporation is provided for all kinds of viable income generating activity. Some of the schemes sanctioned by NSTFDC are as under:

i. Dairy, Poultry, Pumpset/ Minor Irrigation, Goatery, Piggery, Horticulture etc. in the Agricultural Sector.

ii. Bamboo Furniture Making unit, Flour/ Rice Mill Unit, Steel Fabrication, Gem Stone Cutting and Polishing Unit etc under the Industrial Sector.

iii. Automobile Workshop, Book Binding, Data Processing, Tent Hose etc. under the Service Sector.

iv. Auto Rickshaw, Goods Carrier etc. under the Transport Sector.

Eligible Agencies

National Scheduled Tribes Finance and Development Corporation (NSTFDC) under the Ministry of Tribal Affairs and State Scheduled Tribes Finance and Development Corporations (STFDCs) of various State Governments.

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[2] Extracted from website of Ministry of Tribal affairs (http://tribal.nic.in/Content/GrantsunderArticle2751oftheConstitutionofIndia.aspx)

[3] Extracted from website of Ministry of Tribal affairs (http://tribal.nic.in/Content/Equity%20support.aspx)

The financial assistance of the Corporation is extended to Scheduled Tribes having annual family income upto double the poverty line (DPL) through State Channelising Agencies (SCAs) nominated by respective State Governments in addition to certain Regional Rural Banks and PSU Banks.

Pattern of assistance

The ratio of Share Capital contribution between the Central and States Governments is of 49: 51.

NSTFDC provides financial assistance through SCAs at concessional rate of interest varying between 4% to 8% p.a.

Details of schemes of NSTFDC that can suitably be aligned for dairy development and their pattern of funding are given in the table below:

No	Scheme	Brief of the Scheme and lending terms	Rate of interest	Repayment period
1	Term Loan	Provided for viable Scheme(s)/ Project(s) costing upto Rs.10.00 lakh per unit/ profit centre. Quantum of Assistance: NSTDFC Provides 90% of the cost of Scheme(s)/ Project(s) subject to the condition that the State Channelising Agencies (SCAs) contribute their share of loan as per the scheme and provide eligible subsidy. The SCAs may endeavour to tie up financial assistance from other sources if any. Working Capital: (a) Entire Working requirement is treated as a part of the project cost for scheme(s) having cost upto Rs. 1.00 lakh. (b) For Scheme(s) /Project (s) having unit cost above Rs.1.00 lakh Working Capital requirement upto 30% of the cost of Scheme (s) /Project (s) subject to a maximum of Rs. 3.00 lakhs per unit/profit centre is considered as part of the cost of project. Promoter's Contribution: Cost per Unit/ Profit Centre Minimum Promoter's Contribution (as %age of cost of project) a) Upto Rs. 1.00 lakh: not to be insisted upon b) Above Rs. 1.00 lakh and upto Rs. 2.50 lakh : 2% c) Above Rs. 2.50 lakh and upto Rs. 5.00 lakh : 3% d) Above Rs. 5.00 lakh : 5%	• Upto Rs.5 lakh:3-6% • Above Rs.5 lakh:5-8%	The loan is to be repaid in quarterly/ half yearly instalments as the case may be within a maximum period of 10 years including suitable moratorium period.

No	Scheme	Brief of the Scheme and lending terms	Rate of interest	Repayment period
2	Bridge Loan	Provided by the NSTFDC against subsidy/capital incentives etc available for the Scheme(s)/ Project(s) through the SCAs to meet the gap in funding requirement of Scheme(s)/ Project (s) costing upto Rs. 10.00 lakhs per unit/ profit centre.	Interest rate on bridge loan are at par with rates of interest for term loan	The SCA is to ensure that loan is repaid to NSTFDC within a maximum period of 2 years from the date of first release of Bridge Loan by NSTFDC to SCA
3	Scheme for Women	**Adivasi Mahila Sashaktikaran Yojana,** an exclusive concessional scheme for the economic development of eligible Scheduled Tribe Women. Quantum of Assistance: NSTFDC provides Term Loan for Scheme(s)/Project(s) costing upto Rs. 50000/- per unit/profit centre. NSTFDC provides term loan upto 90% of the cost of the Scheme(s)/ Project(s) subject to the condition that the SCAs contribute their share of loan as per their scheme and provide the eligible subsidy. The SCAs may endeavor to tie-up financial assistance from other sources if any. Minimum promoter's contribution may not to be insisted upon	NSTFDC charges highly concessional interest @ 2% p.a. from the SCAs. The SCAs may charge a maximum interest @ 4% p.a. from the ultimate women beneficiaries	The loan is to be repaid in quarterly/ half yearly instalments as the case may be within a maximum period of 10 years including suitable moratorium period. (b) The repayment period is fixed by NSTFDC based on nature of activity and cash generating capacity of unit.
4	Self Help Groups	NSTFDC provides financial assistane for Scheme(s)/ Project(s) having unit cost upto Rs. 25.00 lakh per SHG. Quantum Of Assistance: NSTFDC provides term loan upto 90% of the cost of the Scheme/Project subject to investment per member not exceeding Rs. 50000/- per unit. This is further subject to the condition that the Channelising Agencies (SCAs) contribute their share of loan as per their norms and arrange/provide kthe eligible subsidy. The SCAs may also endeavour to tie up financial assistance from other sources if any. Working Capital: Upto 30% of the cost of the scheme/ project is considered as part of the cost of project/scheme. Minimum Contribution From SHG's: At the rate of 10% of the cost of the project/ scheme.	NSTFDC shall charge interest @ 5% per annum (on NSTFDC's share) from the SCAs and in turn SCAs may charge upto 8% p.a. from the SHGs.	
5	Micro Credit	This Scheme is meant to provide small loans to the eligible Scheduled Tribes for undertaking Self Employment Ventures/Activities only through the existing profit making Self Help Groups.	a) NSTFDC to SCAs: NSTFDC shall charge interest from the SCAs @ 3% p.a.	SHGs to SCAs: Depending on the nature of activity(ies) repayment period

No	Scheme	Brief of the Scheme and lending terms	Rate of interest	Repayment period
		i) Quantum Of Assistance: a) NSTFDC provides loans upto Rs.35000/- per Member and maximum Rs.5.00 lakh per SHG. SCAs shall provide eligible amount of Margin Money/Subsidy as per their norms for the target group and remaining amount may be provided as Term Loan by NSTFDC. b) NSTFDC may provide upto 100% of the funds required as Term Loan in case the SCA is/are not able to provide Margin Money/Subsidy loan. ii) Repeat Loans: Repeat Loans may be given to the Members by the SHGs. However Repeat Loan to the SHGs by the SCAs shall be given only after the entire dues of earlier loan taken under NSTFDC scheme are repaid by the SHG(s) to SCA(s) and in turn by the SCA(s) to NSTFDC	b) SCAs to SHGs: SCAs shal l charge interest at the rate of 6% p.a. from the eligible Self Help Groups. c) SHGs to Members: Membe rs of respective SHGs to decide the rate of interest to be charged by SHGs from its member but not exceeding 15% p.a.	shall be recommended by the SCAs. However loan is to be repaid by the SHGs to the SCAs within a maximum period of 04 years including a standard moratorium period of six months to be allowed to the SHGs. b) SCAs to NSTFDC :On quarterly basis by SCAs within a period of 05 years from the date of disbursement of funds by NSTFDC to SCAs including a standard moratorium period of six months allowed by the SCAs to SHGs.
7	Tribal Forest Dwellers Empowerm ent Scheme	A Scheduled Tribe, who has received land right under the Forest Rights Act, 2006 is eligible for availing financial assistance under this scheme. Quantum of assistance: Unit cost of the scheme can be upto Rs. 1 Lakh. Upto 90% assistance from NSTFDC as concessional loan and the balance by way of promoters' contribution/margin money/subsidy. Handholding Support/ Training: Forest Right Holders seeking financial assistance from NSTFDC will be entitled to handholding support and need based training in the relevant field	6% p.a. chargeable from beneficiary	The loan is to be repaid in quarterly instalments within a maximum period of 5 years, including a moratorium period of six months.

No	Scheme	Brief of the Scheme and lending terms	Rate of interest	Repayment period
8	Marketing Support Assistance	Provide financial support for meeting the working capital requirement of the Central/State Government owned agencies and National level federations/Target Group for undertaking procurement and marketing of forest produces/agricultural produces and other related products/services grown/made or collected by the Scheduled Tribes	a) Assistance to the beneficiaries through the SCAs: Interest rates on Marketing Support financial assistance is at par with rates of interest for term loan. b) Assistance to the SCAs / Federations directly involved in procurement marketing: @ 7% p.a.	Repayment is fixed by NSTFDC based on nature/trade cycle of the activity.
9	Grant for Skill And Entrepreneurial Development Programmes From NSTFDC (Training)	In order to create opportunities for self-employment/employment financial assistance in the form of grant is provided through the SCAs for training programmes organized only through the Government/Semi Government/Autonomous Government body (ies). Entire recurring expenditure of the training programme may be provided as grant by NSTFDC.	-	-

Avenues for Dairy Cooperatives

Cooperatives can avail grant/loan from SCAs for dairy development activities in ST dominated areas.

WAREHOUSE INFRASTRUCTURE FUND (WIF) 2014-15

Consequent upon the announcement of an allocation of ₹ 5000 crore to NABARD in the budget for 2014-15, for supporting creation of infrastructure for storage of agricultural commodities, Reserve Bank of India (RBI) issued guidelines for creation of Warehouse Infrastructure Fund (WIF 2014 -15) in NABARD. The fund envisages extension of loans to Public and Private sectors for construction of warehouses, silos, cold storages and other cold chain infrastructure.

WIF would be utilized for meeting the growing demand for scientific storage capacity for agricultural commodities in the entire country and also in the wake of enactment of National Food Security Act 2013. Priority will be given for the projects proposed in Eastern and North Eastern states and food grain deficit states.

The salient features of the WIF are indicated below:

1	Eligible Institutions / Entities	• State Governments, • State / Central Government Owned / assisted entities, Cooperative, Federations of Cooperatives, Farmers' Producers' Organizations (FPOs), Federations of Farmers' Collectives, SPVs set up under PPP mode, etc. • Primary Agricultural Credit Societies (PACS) / Cooperative Marketing Societies (CMS) or similar institutions • Corporates / Companies / Individual Entrepreneurs etc.
2	Activities Covered	Loans will be provided for proposals of projects involving creation of storage infrastructure, with a minimum aggregate capacity of 5000 metric tons (MT), for agricultural and allied produce including construction of: a. Warehouses b. Silos c. Cold storage, controlled atmosphere (CA) stores, other cold chain infrastructure activities like pack houses / integrated pack houses, reefer vans, bulk coolers, individually quick frozen units, chilling/ freezing infrastructure, etc. Modernization/improvement of the existing storage infrastructure projects will be considered

*https://www.nabard.org/pdf/Website_Warehouse_Infrastructure_Fund_WIF_2014_15.pdf

		on merit of each proposal provided it leads to scientific/ additional storage capacity. (No minimum capacity for projects of Governments/ Government owned corporations).
3	Conformation to Norms of WDRA / NCCD	Loans will be provided in respect of only those dry and wet storage projects which conform to the norms / standards prescribed by Warehousing Development and Regulatory Authority (WDRA) / National Centre for Cold-chain Development (NCCD). The borrowers also to give an undertaking for obtaining accreditation / registration from WDRA for storage infrastructure / following the standards set by NCCD for cold chain infrastructure, on completion of the infrastructure.
4	Priority Segments	Funds under this allocation would be utilized for meeting the growing demand for storage capacity for agricultural commodities and also in the wake of enactment of National Food Security Act 2013 from the following segments: • Food grain procurement agencies, like FCI (including under PEG Scheme), Central Warehousing Corporation, State Government Departments/Agencies, SWCs, etc. • Panchayats, PACS and other Co-operative Societies (including modernization/renovation/ repairs of the existing warehouses) for enabling farmers to store their produce and avail concessional post-harvest loans. • State Civil Supplies Departments/ Corporations for Public Distribution System (PDS) and supply of essential commodities. • Private sector companies/ corporates for storing food grains as well as other agricultural commodities, like pulses, oilseeds, cotton, spices & condiments and perishables like fruits & vegetables, dairy/ poultry/meat/fish products. Priority will be given for the projects proposed in Eastern and North Eastern states and all other deficit states from the food grain production point of view.

5	Loans to Public Sector	Loans to State Government, Agencies Owned/ Sponsored by State Govt. and Panchayats (through State Governments) will be governed by the extant Rural Infrastructure Development Fund(RIDF) guidelines.
6	Loans to Private Sector	Direct loans to private sector and to the entities owned/sponsored by the State Govt., which are not covered by guarantee, would be governed by the terms of lending indicated in Annexure – I.
7	Implementation Period	The implementation period will be during the year 2014-15.

(For any queries/ clarifications – email to dsm@nabard.org / nabardwarehouse@gmail.com - or telephone : 022 26539670)

Annexure – I

Direct Loans to Private Sector – Terms of Lending

Type of Borrower	Maximum Quantum of Loan (% of TFO)	Tenure of Loan (Years)	Rate of Interest (% p.a.)
Agencies owned/sponsored by Government of India, SPVs set up under the projects in PPP mode, FPOs, Federations of Farmers' Collectives, Apex Marketing Boards, etc.	95	07	PLR*+Risk Premium
		More than 7 years	PLR + Risk Premium + Tenor Premium
Cooperatives (and their Federations), APMCs or similar institutions	95	07	PLR + Risk Premium
		More than 7 years	PLR + Risk Premium + Tenor Premium
Private Companies/ Corporates /Individual Entrepreneurs etc.	75	07	PLR + Risk Premium
		More than 7 years	PLR + Risk Premium + Tenor Premium

*** PLR is Prime Lending Rate of NABARD**

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राष्ट्रीय कृषि और ग्रामीण विकास बैंक
कृषि क्षेत्र नीति विभाग
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National Bank for Agriculture and Rural Development
Farm Sector Policy Department
Head Office : BKC, Bandra (E), Mumbai - 400 051
Tel. : +91 22 2653 0035 • Fax : +91 22 2653 0022
E-mail : dpd.fs@nabard.org • Website : www.nabard.org

NB.FSPD/ 619 /FSPD- Policy/2014-15 dated 05 February 2015

FSPD-Circular No. 20 dated 05 February 2015
FSPD -01

The Chief General Manager /Officer-in-Charge
All Regional Offices/Sub-offices and Training Establishments
NABARD

Dear Sir

Scheme for promotion of Farmer Producer Organizations: Operational Guidelines

Hon'ble Union Finance Minister while presenting Union Budget for 2014-15, has announced setting up of "Producers Organization Development and Upliftment Corpus (PRODUCE) Fund of ₹200 crore in NABARD to be utilized for the building and promotion of 2000 Farmer Producer Organizations (FPOs) in next two years. This initiative will address the initial requirements of the emerging Farmer Producer Organizations which, in turn, will provide new business opportunities for financing institutions, to support them with credit.

2. The operational guidelines for promotion of Farmer Producer Organizations by using the PRODUCE Fund is given as **Annexure-I**. It has been decided to initiate works relating to promotion of Farmer Producer Organization as per the above operational guidelines by using the funds available under Producer Organization Development Fund (PODF), WDF (Rs.10 crore) and TDF (Rs.5 crore). The above mentioned funds available under WDF and TDF are to be utilized strictly for promotion of FPOs in the command area of watershed and wadi projects respectively.

3. Grant assistance to POPIs/FPOs for undertaking various promotional interventions may be sanctioned by the CGM/OIC of the RO based on the recommendations of PSC constituted at RO for the purpose. The item-wise outlay indicated in **Appendix-I** are the maximum eligible amount. Therefore, while considering the proposal of POPIs, utmost care may be taken to assess the actual financial needs in individual cases without compromising on the effectiveness of the FPO. The grant amount sanctioned may be released by the ROs as per the schedule indicated in **Appendix-II**.

4. For the purpose of reporting the physical progress in formation of FPOs under our scheme, the date of submitting application for registration may be construed as the date of FPO formation. In case of existing farmers organizations which have evolved as FPO without financial assistance from any agency and already registered in some legal form, these FPOs may also be considered under our scheme for extending promotional grant assistance to ensure their upliftment

as sustainable business enterprise. However, in such cases ROs have to exercise due diligence to ensure their credibility, potential and future prospects to be able to function as business entity.

5. The contents of the circular may be brought to the notice of all concerned.

(Dr. B G Mukhopadhyay)
Chief General Manager

Encls: As above

Annexure-I

Scheme for promotion of Farmer Producer Organizations: Operational Guidelines

Background

The Union Finance Minister while presenting Union Budget for 2014-15, has announced setting up of "Producers Organization Development and Upliftment Corpus (PRODUCE) Fund of ` 200 crore in NABARD to be utilized for the building and promotion of 2000 Farmer Producer Organizations (FPOs) in two years. This initiative will address the initial requirements of the emerging Farmer Producer Organizations which, in turn, will provide new business opportunities for financing institutions, to support them with credit.

2.0 Objectives of "PRODUCE Fund"

The broad objective of the Fund is to build, promote and nurture Farmer Producer Organizations (FPOs) by way of extending the required financial & non-financial support during the nascent/ formative stage. It is critical to support FPOs in terms of awareness creation, capacity building, technical support, professional management, market access, regulatory requirements, etc. and provide handholding support for a minimum period of 3 years and the same is met as grant under the Fund. The requirement of the FPOs for their business has to be met out of their own funds, equity, credit, profit generated, etc.

3.0 Characteristics of Farmer Producer Organization

An Organization will be called a Farmer Producer Organization, if

- it is formed by a group of primary producers
- it is a registered body and a legal entity
- producers are primary shareholders in the organization
- it deals with business activities related to the primary produce/product/ related inputs
- it works for the benefit of the member producers
- portions of profit are shared amongst the producers and the balance goes to the share capital or reserves.
- It has minimum shareholding members numbering 50 at the time of registration. However, the shareholding membership will have to be increased over a period of 3 years to a sustainable level.

4.0 Guiding Principles for Assistance

The guiding principles for assistance under the Fund will be broadly as indicated below:

i. The FPO registered under any statute / legal form will be supported
ii. The FPO will act for the benefit of the producers
iii. There is active community participation (ownership/ management/ empowerment)

iv. Activities of FPO to be eligible for support under the Fund may fall within the domain of agriculture / activities allied to agriculture including dairy, poultry, fisheries, etc. and cover the entire value chain.
v. The support under the scheme will broadly cover the cost towards promotion of FPOs including capacity building, business planning, registration, MIS development, market linkages and linkage to value chain, administrative expenses of promoting agency, deliberations/ interaction meets, documentation, research, publicity, monitoring of progress and such other items of expenditure required for promotion of FPOs.
vi. There is integrated approach in implementation of projects(need-based and flexible, convergence with other schemes / programmes)

5.0 Strategy for Promoting Farmer Producer Organizations

i. Identification of potential FPOs among successful Watershed Development projects, Wadi Projects and their Federations.
ii. Identification of natural clusters of farmers groups to facilitate formation of FPOs
iii. Close involvement of stakeholders such as NGOs, Banks, Govt. line departments, commodity Boards, Corporations, Corporate, functional Universities, cooperatives, Federations, Trade bodies, etc. for identification, promotion, nurturing, development, capacity building, evaluation etc. of FPOs
iv. Development of Best Practices, Pilot Projects and Success Stories for wider publicity and field level replication
v. Adoption of mission mode with periodic qualitative and quantitative milestones with timelines
vi. Wide publicity to the FPO Scheme through print, electronic media and adopting other Mass Communication Strategies
vii. Conventional/non-conventional publicity and awareness creation methods
viii. Launching of pilot projects, action research projects, experimental projects, field trials etc. to learn and understand various models of FPOs and successful strategies for wider replication

6.0 Process involved:

6.1 Identification of Resource Support Agencies (RSA):

NABARD RO will identify one state level Resource Support Agencies (RSAs) having adequate experience in successful promotion of FPOs. An agreement between NABARD, RO and the RSAs will be executed for implementing the scheme in the State.

6.1.1 Role of Resource Support Agencies (RSA)

The Resource Support Agencies will be involved in organising capacity building of the Producer Organization Promoting Institutions (POPIs), providing necessary training and handholding support to POPIs for undertaking the promotion of FPOs in the State. Also, the RSAs will be required to guide/ oversee the overall implementation of the scheme and facilitate value addition, marketing, storage and other services required by the FPOs. The RSAs identified should have the technical expertise and field experience to provide the above mentioned services to the POPIs.

6.2 Identification of Producer Organization Promoting Institutions (POPIs):

NABARD RO will identify in consultation with RSAs required number of POPIs in the state based on the following minimum eligibility criteria.

i. Registered under the relevant Acts as legal entities
ii. Minimum 3 years audited balance sheets/ P&L accounts
iii. Good track record/relevant experience in the field of implementing NABARD programmes
iv. It has requisite dedicated and professionally competent staff and adequate infrastructure facilities for carrying out the developmental works
v. It has not been blacklisted by any funding Agency/Banks/ Govt./ Other Agency
vi. It has no negative net worth and no default to any financial institution
vii. It has adequate expertise in organising technical help
viii. It has demonstrated the facilitating of businesses or large scale livelihood activities with market linkage

6.2.1 Role of Producer Organization Promoting Institutions (POPIs)

The POPI will identify potential FPOs from successful Watershed Development projects, Wadi Projects and their Federations, existing Farmers Clubs, Farmers' Cooperatives, Self Help Groups, Joint Liability Groups, Rythu Mitra Groups, Farmers Interest Groups or their federations, etc. As far as possible VWC, Wadi clusters, Self Help Groups, Joint Liability Groups, Rythu Mitra Groups, Farmers Interest Groups, etc., financed by a bank branch may be considered for federating under one FPO. Thereafter, the POPI will focus on awareness creation among farmers and motivate them to form FPOs. The POPI will thereafter undertake training need assessments (TNAs) of the producers and also assess infrastructure requirements, market intervention and other support facilities/ linkages necessary for the success of FPOs. This will be followed by designing and organising capacity building programmes, preparation of business development plan for the FPOs, establishment and registration under appropriate Act, facilitation in credit and market linkage. The POPIs will have to develop organization chart, business plans, nurture the POs and provide handholding support towards maturity for a minimum period of 3 years. These Agencies could be Non-Governmental Organizations, Trusts, Corporates, State Govt. Departments, NABARD-promoted subsidiaries, KVK, Big Farmer Producer Companies, Farmers Federations, Commodity Board/ Federations/ Exchanges, Co-op Milk Unions and other experienced Institutions meeting the eligibility criteria prescribed.

6.2.3. Assistance Available to POPIs

Taking into consideration various efforts required for creation of awareness, organization and capacity building and other requirements of FPOs, the POPIs will be eligible for grant support to undertake the following activities. A MOU in this regard will be entered into between the RO and POPIs.

6.2.3.1 Mobilization of Farmers

A base line survey may be undertaken by the POPI and the farmers around a particular cluster, commodity, market, processing, storage unit, etc. may be mobilized into FPOs in consultation with State Govt. Departments, NABARD, Commodity Boards, etc. Existing Farmer Clubs, SHGs, JLGs, Village Watershed Committees, Wadi Clusters, etc., could be considered for organizing them into FPOs. To cover the initial expenses on such awareness/ mobilization activities, a maximum budget of Rs.30000/ per FPO will be provided.

6.2.3.2 Capacity building/ training and exposure visits of Farmers

Training/ capacity building/ skill development interventions including conduct of exposure visits for the member farmers will be undertaken by the POPIs in the areas of farm production, input/ output management, productivity enhancement, process improvement, agribusiness operation/management, book keeping, regulatory compliance, internal organizational structure, good governance, etc. For this, the POPIs will be adopting the module developed by XIMB/ other agencies with suitable modification to suit the local requirements. Two trainings each year during the first three years will be organized by the POPI with a total grant support of Rs 75,000.

6.2.3.3 Establishment & Registration of Farmer Producer Organization

The FPOs will be required to be suitably organized into business entity and registered under the relevant statute of Law. The cost of establishing appropriate management, registration fee (as a legal entity) including compliance to all legal formalities, etc., will be provided under the Fund subject to a maximum of Rs 30,000 per FPO/FPC.

6.2.3.4 Training to Board of Directors of FPO

Board of Directors of the FPO will be required to be sensitized at least once in a year for three consecutive years covering areas like functioning of FPOs, organizational structure, business operation and management, market linkages, legal aspects of FPO, regulatory compliance, good governance practices, transparency & accountability, vision building, leadership development, communication skills and MIS. Three training programmes i.e. one programme every year for three years will be organised by the POPI with a total grant support of Rs.75,000/-.

6.2.3.5 Training to Chief Executive Officer of FPO

The day to day operation and management of the business of FPO is the responsibility of its Chief Executive Officer under the guidance of the Board of FPO. The Chief Executive Officer of the FPO will be trained during the initial two years for which a grant support of Rs.20,000 will be provided to POPI @ Rs. 10,000 per programme for two programmes.

6.2.3.6 Administrative cost of POPI

This will include the expenses towards compensation for one local resource person and other administrative expenses to be incurred by the POPI including handholding support. A total of Rs.1,50,000 @ Rs.50,000 per year for three years will be provided.

6.2.3.7 Other Expenditure-Preparation of DPR, MIS and conduct of Audit, etc.

The POPI will be required to facilitate preparation of a 3 year sustainable business plan by the FPO, development of a proper MIS and reporting system and system of book keeping, preparation of annual balance-sheet and profit & loss account of the FPO and ensuring their timely audit. The Business plan will be prepared through a participatory process and may, among other things, include items like input needs assessment, creation of small infrastructure for value addition, market linkages, market intelligence, interface with buyers (market facilitation & aggregation); cost estimate for each activity, means of finance, implementing strategy and monitoring of progress. The POPI will be sanctioned a grant assistance of Rs.50,000/- for the above activities.

7.0 Assistance Available to Farmer Producer Organizations (FPOs)

The promotional support to Farmer Producer Organizations out of the PRODUCE Fund will be extended for the following activities:

7.1 Administrative Expenses

The Board of FPO will appoint a Chief Executive Officer (CEO) on a full term basis for running its day to day business. NABARD will provide grant assistance to the FPO towards meeting the compensation of CEO for three years on a tapering basis. Grant assistance towards compensation of the CEO will be Rs.1,20,000/- during the first year @ Rs.10,000 per month and Rs.84,000 (i.e. 70% of the first year grant) and Rs.72,000, (i.e. 60% of the first year grant) during 2nd and 3rd years respectively. In addition, grant support @ Rs.50,000 per year for three years will be provided towards meeting the office expenses including purchase of small furniture and payment of electricity, postage, etc.

7.2 Revolving Fund Assistance

With a view to enabling the FPOs during their formative stage to access market for their produce and for facilitating primary processing/value addition/aggregation to improve marketability of the farm produce, a one-time revolving fund assistance of Rs.50,000/ will be made available.

7.3 Capacity Building of POPI

The capacity building programme of POPIs will be organised by the RSA/Expert Agency identified by the RO. The overall capacity building programme of POPIs will be coordinated by RSA/RO.

The details of item-wise maximum support available to POPIs &FPOs under the Fund, are enclosed as **Appendix-I**.

8.0 Constitution of National and State level Committees:

At National Level, an Advisory Committee will be constituted consisting of 15-20 members / experts from reputed academic institutions / NGOs / representatives of GOI, State Govt, SFAC, Corporates, Value Chain Players and Banks. Similarly State Level Consultative Committee will be constituted with 7-10 members consisting of CGM NABRD, SLBC Convenor, Director Agriculture, Director Horticulture, Resource Support Agency/POPI, Banks, etc.

9.0 Review/ Monitoring

The progress in the utilization of Fund and promotion of FPOs will be monitored by the Board of Directors of NABARD which has representation from the Govt. of India, State Govt., RBI. In addition, Project Monitoring Units will be set up by NABARD to monitor the progress at the field level with the help of State Level Resource agencies/ PMUs. The overall physical and financial progress will be monitored and mapped by developing a suitable software with the help of Consulting Organisation.

10.0 State-wise Physical Allocation

Based on the number of existing Farmer Clubs, commodity clusters, watershed development projects, Wadi projects, farmer collectives formed under other promotional schemes of NABARD, initiatives of various State Govt./SFAC in promoting FPOs and our own assessment of the available potential, State-wise physical allocation has been made. The details of the same are presented in ***Appendix-II.***

11.0 Bank finance for FPOs

11.1. Banks may be encouraged to extend need based financial assistance to FPOs. ROs may organise meets at the State /District level to create awareness and to promote the scheme among all the stakeholders.

Appendix-I

Break up of expenditure for Promotion of Producer Organizations (POs)

S No	Eligible Activity for Support	Maximum amount of assistance per PO (Rs. lakh)			
		Yr 1	Yr 2	Yr 3	Total
I	**Support to Producer Organizations(POs)**				
1	Salary expenses of CEO @	1.20	0.84	0.72	2.76
2	PO office expense towards small furniture, postage, electricity, etc.	0.50	0.50	0.50	1.50
3	Revolving fund assistance- primary processing / value addition/ aggregation to improve marketability	0.50	-	-	0.50
4	Establishment / Registration (New FPOs only)	0.30	-	-	0.30
	Sub-total for PO (I)	**2.50**	**1.34**	**1.22**	**5.06**
II	**Support to PO Promoting Institutions (POPIs) on behalf of one PO**				
1	Mobilizing of Farmers (New FPOs only)	0.10	0.10	0.10	0.30
2	Training & Exposure visits for farmers- Cost of two trainings & exposure visits for farmers	0.25	0.25	0.25	0.75
3	Training to PO Directors- one programme per year	0.25	0.25	0.25	0.75
4	Training to CEO of PO- one programme in first two years	0.10	0.10	-	0.20
5	Salary of POPI Resource person	0.50	0.50	0.50	1.50
6	Other expenses - MIS, audit, DPR, etc. (LS)	0.50	-	-	0.50
7	**Sub-total for POPI for promoting one PO (II)**	**1.70**	**1.20**	**1.10**	**4.00**
8	**Total (I+II)**	**4.20**	**2.54**	**2.32**	**9.06**

Appendix-II

Pattern of fund release & Deliverables

Instal lment	Timelines	Deliverables	Release Amount
I	Approval of concept note & signing of MOU with POPI		25% of Ist year's cost
II	3 months from signing MOU	Cluster identified, baseline done, farmers data base computerized & awareness meeting and exposure visit conducted	25% of Ist year's cost & satisfactory utilization of earlier release
III	6 months from signing MOU	Constitution of BOD, training of BOD, completions of statutory processes & application for registration.	25% of Ist year's cost & satisfactory utilization of earlier release
IV	12 months from signing MOU	CEO appointed, training of CEO, Business plan & MIS prepared	Balance of Ist year's cost & satisfactory utilization of earlier release
V	18 months from signing MOU	Applied for licenses for input, access to credit as per plan, buyer-seller meet, list of shareholders prepared with crop details, annual report finalized.	50% of 2nd year's cost & satisfactory utilization of earlier release
VI	24 months from signing MOU	Aggregation of produce, creation of basic infrastructure, market linkage, training of CEO/BOD & farmers	Balance of 2nd year's cost & satisfactory utilization of earlier release
VII	30 months from signing MOU	Equity mobilization, statutory compliances, implementation of business plan, institutionalizing market linkage & credit access.	50% of 3rd year's cost & satisfactory utilization of earlier release
VIII	36 months from signing MOU	Approvals of FPO activities, business expansion, Audit & preparation of B/S, P/L a/c, PC Report	Balance of 3rd year's cost & satisfactory utilization of earlier release

Appendix- III

Promotion of 2000 POs by NABARD- State-wise Allocation
(Figures in No of POs)

Sr No	Name of the State	2014-15	2015-16	Total
1	Andhra Pradesh	40	65	105
2	Assam	10	20	30
3	Bihar	40	60	100
4	Chhattisgarh	25	35	60
5	Gujarat	50	70	120
6	Haryana	20	30	50
7	Himachal Pradesh	20	30	50
8	Jharkhand	25	40	65
9	Jammu-Kashmir	7	8	15
10	Karnataka	75	105	180
11	Kerala	40	60	100
12	Maharashtra	50	80	130
13	Madhya Pradesh	65	95	160
14	Odisha	40	60	100
15	Punjab	20	30	50
16	Rajasthan	50	85	135
17	Tamil Nadu	60	90	150
18	Telangana	35	40	75
19	Uttar Pradesh	50	80	130
20	Uttarakhand	20	30	50
21	West Bengal	45	70	115
22	Andaman-Nicobar	2	3	5
23	Arunachal Pradesh	2	3	5
24	Goa	1	1	2
25	Manipur	1	2	3
26	Meghalaya	2	2	4
27	Mizoram	1	1	2
28	Nagaland	1	1	2
29	Sikkim	1	1	2
30	Tripura	2	3	5
Total		**800**	**1200**	**2000**

Appendix- IV

Promotion of Producer Organizations during 2014-15-
State-wise physical & financial allocation

(Rs. lakh)

Sr No	Name of the State	Annual allocation for 2014-15	
		Physical No.	Financial (Grant)
1	Andhra Pradesh	40	362.40
2	Assam	10	90.60
3	Bihar	40	362.40
4	Chhattisgarh	25	226.50
5	Gujarat	50	453.00
6	Haryana	20	181.20
7	Himachal Pradesh	20	181.20
8	Jharkhand	25	226.50
9	Jammu-Kashmir	7	63.42
10	Karnataka	75	679.50
11	Kerala	40	362.40
12	Maharashtra	50	453.00
13	Madhya Pradesh	65	588.90
14	Odisha	40	362.40
15	Punjab	20	181.20
16	Rajasthan	50	453.00
17	Tamil Nadu	60	543.60
18	Telangana	35	317.10
19	Uttar Pradesh	50	453.00
20	Uttarakhand	20	181.20
21	West Bengal	45	407.70
22	Andaman-Nicobar	2	18.12
23	Arunachal Pradesh	2	18.12
24	Goa	1	9.06
25	Manipur	1	9.06
26	Meghalaya	2	18.12
27	Mizoram	1	9.06
28	Nagaland	1	9.06
29	Sikkim	1	9.06
30	Tripura	2	18.12
Total		**800**	**7248.00**

सत्यमेव जयते

OPERATIONAL GUIDELINES 2014

INTEGRATED SCHEME FOR AGRICULTURAL MARKETING

सत्यमेव जयते

OPERATIONAL GUIDELINES 2014

INTEGRATED SCHEME FOR AGRICULTURAL MARKETING

CONTENTS

Ashish Bahuguna
Secretary

भारत सरकार
कृषि मंत्रालय
कृषि एवं सहकारिता विभाग
Government of India
Ministry of Agriculture
Department of Agriculture & Cooperation

FOREWORD

Our country has made remarkable progress in terms of increased agriculture production. However, we continue to come across instances of distress sales by farmers even though consumers are having to pay abnormally high prices for agri-commodities. The root cause of this problem is the asymmetry in demand and supply which can be addressed by setting our agri-marketing sector in order.

The subject of marketing of agriculture produce primarily lies in the domain of the State Governments. Central Government has been supporting the initiatives of the State Governments through a multi-pronged strategy. State Governments have been advised to align the provisions in their regulations that govern marketing of agriculture produce with the changed market scenario. Central Government has also been promoting creation and improvement of marketing infrastructure, capacity building and generating access to market information. These schemes have been further fine-tuned and will be continued during the remaining part of the XII Plan period. Some changes have been made in the guidelines with the objective of encouraging new technologies, promoting investment, improving the outreach of the schemes and removing constraints that hinder efficient and effective outcomes. Further, all schemes for strengthening this sector have been brought under one umbrella namely: "**Integrated Scheme for Agricultural Marketing (ISAM)**".

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All these efforts will bear fruit only if the States proactively and genuinely reform their agri-marketing regulations and processes to benefit both the farmers as well as the consumers. However, it is reiterated that the farmer is at the heart of the ISAM, which is intended to provide him with the required marketing support so that he not only gets the best return for his produce, but is also able to leverage the scheme for value addition and eventually get a higher share in the consumer spending.

I am confident that the operational guidelines will be useful to the implementing agencies, both in enhancing programme delivery as well as in monitoring and will eventually lead to an effective and stronger agri-marketing sector in the country.

Date: March 14, 2014

(Ashish Bahuguna)

CHAPTER 1

INTEGRATED SCHEME FOR AGRICULTURAL MARKETING

1.1 The grit and toil of farmers, dedication of agricultural scientists and consistent endeavour of policy makers have together contributed in transforming Indian agriculture from an importer of food grain at the time of independence to a major exporter of foodgrains now. However, the marketing systems and post-harvest marketing infrastructure have not been able to keep pace with the growing production and marketable surplus. This has brought to the fore, the need for providing farmers with access to competitive markets with adequate infrastructure including cold chain logistics, to enable them to realise better prices on the one hand and providing nutritious food to consumers at stable and affordable prices on the other. With this objective in view, the Government of India on 13th November, 2013 approved the proposal of Department of Agriculture & Cooperation for continuation and integration of on-going Central Sector Schemes as Integrated Scheme for Agricultural Marketing (ISAM) during the XII Plan (2012-2017). The ISAM will have the following five sub schemes: (i) Agricultural Marketing Infrastructure (AMI) [the existing schemes of Grameen Bhandaran Yojana (GBY) and Development/Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization (AMIGS) will be merged as AMI] (ii) Marketing Research and Information Network (MRIN) (iii) Strengthening of Agmark Grading Facilities (SAGF), (iv) Agribusiness Development (ABD) through Venture Capital Assistance (VCA) and Project Development Facility (PDF) and (v) Choudhary Charan Singh National Institute of Agriculture Marketing (NIAM).

1.2 **Objectives**

i. To promote creation of agricultural marketing infrastructure by providing backend subsidy support to State, cooperative and private sector investments.

ii. To promote creation of scientific storage capacity and to promote pledge financing to increase farmers' income.

iii. To promote Integrated Value Chains (confined up to the stage of primary processing only) to provide vertical integration of farmers with primary processors.

iv. To use ICT as a vehicle of extension to sensitize and orient farmers to respond to new challenges in agricultural marketing.

v. To establish a nation-wide information network system for speedy collection and dissemination of market information and data on arrivals and prices for its efficient and timely utilization by farmers and other stake holders.

vi. To support framing of grade standards and quality certification of agricultural commodities to help farmers get better and remunerative prices for their graded produce.

vii. To catalyze private investment in setting up of agribusiness projects and thereby provide assured market to producers and strengthen backward linkages of agribusiness projects with producers and their groups.

viii. To undertake and promote training, research, education, extension and consultancy in the agri marketing sector.

1.3 The overall budgetary allocation for ISAM is ₹4548.00 crores during the XII Plan. Sub scheme-wise break up of budget provision is ₹4000.00 crores for AMI, ₹12.00 crores for MRIN, ₹6.00 crores for SAGF, ₹500.00 crores for ABD and ₹ 30.00 crores for NIAM.

1.4 The Marketing Division in the Department of Agriculture is the overall incharge of policy formulation for the agricultural marketing sector. The Directorate of Marketing & Inspection (DMI) an attached office of the Department will implement the three sub schemes viz. Agricultural Marketing Infrastructure (AMI), Marketing Research and

Information Network (MRIN) and Strengthening of Agmark Grading Facilities (SAGF); Small Farmers Agribusiness Consortium (SFAC), an autonomous organisation will implement the sub scheme of Agribusiness Development (ABD) through Venture Capital Assistance (VCA) and Project Development Facility (PDF) and Chaudhary Charan Singh National Institute of Agriculture Marketing (NIAM), also an autonomous organisation under the Department will provide training, research and consultancy to stakeholders in the agri marketing sector.

1.5 While separate guidelines have been formulated for each of the sub scheme to be implemented by the respective organisations mentioned in para 1.4 above, however, the Marketing Division of Department of Agriculture and Cooperation will have overarching responsibilities for the smooth implementation of the sub schemes. Towards this, Marketing Division may claim up to 0.5% of the scheme funds at its level for incurring administrative expenditure towards more effective MIS, monitoring, impact assessment, hiring consultants, conducting studies, researches and any other facilitative mechanism for more effective implementation.

1.6 An Empowered Committee constituted under the chairmanship of Additional Secretary (DAC) and comprising of Joint Secretary (Marketing)/Agricultural Marketing Adviser, Director (Marketing), Joint Agricultural Marketing Adviser and Director/Deputy Secretary (Finance), IFD, DAC will resolve difficulties and smaller case to case specific decisions on implementation issues.

1.7 The guidelines for sub scheme of Agribusiness Development to be implemented by SFAC will come into effect from 24.01.2014. All other sub schemes of ISAM will come into effect from 1st April, 2014.

CHAPTER 2

AGRICULTURAL MARKETING INFRASTRUCTURE

2.1 INTRODUCTION

2.1.1 The country has largely gained self-sufficiency in food production. There is a need to translate this into better remuneration for the producers by increasing focus on agricultural marketing sector. The agricultural marketing sector requires strengthening of supply chain through investments in infrastructure for value addition to agricultural produce, reduction in post-harvest losses, etc. The XII Plan Working Group on 'Agricultural Marketing Infrastructure, Secondary Agriculture and Policy Required for Internal and External Trade' has estimated an investment requirement of ₹56,000 crores for marketing infrastructure and value chain development during the Plan period with a budgetary allocation of ₹20,207 crores. It has also estimated a requirement of 35 million MT storage capacity during XII Plan period. The Planning Commission Working Group on Warehousing Development and Regulation for the XII Plan Period (2012–17) has stated that Warehousing plays a vital role in promoting agricultural marketing, rural banking and financing and ensuring food security in the country. A network of scientifically constructed storage infrastructure will help farmers avoid distress sale of their produce by availing marketing credit through pledge financing and also reduce quantitative and qualitative post-harvest losses.

2.1.2 For creation of agricultural marketing infrastructure, Grameen Bhandaran Yojana (GBY) is being implemented since 01.04.2001 and Scheme for Development/Strengthening of Agricultural Marketing Infrastructure, Grading & Standardisation (AMIGS) is being implemented from 20.10.2004. In the Integrated Scheme for Agriculture Marketing (ISAM), these two viz GBY and AMIGS are being subsumed into one sub scheme, which would henceforth be known as Agricultural Marketing Infrastructure (AMI).

2.1.3 The sub scheme on AMI will be implemented by the Directorate of Marketing & Inspection (DMI), an attached office of Department of Agriculture and Cooperation. A list of Regional/Sub-Offices of DMI is at **Annexure-I.**

2.1.4 During the XII Plan period, the sub scheme on AMI would be implemented with central assistance of ₹4000 crores. The sub scheme will target to create 4000 marketing infrastructure projects and storage capacity of 230 lakh tonnes across the country.

2.2 OBJECTIVES

The main objectives of the sub scheme are:

2.2.1 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.

2.2.2 To promote innovative and latest technologies in agricultural marketing infrastructure.

2.2.3 To promote competitive alternative agricultural marketing infrastructure by encouraging private and cooperative sector investments.

2.2.4 To promote direct marketing so as to increase market efficiency through reduction in intermediaries and handling channels thus enhancing farmers' income.

2.2.5 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.

2.2.6 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.

2.2.7 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.

2.2.8 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.

2.3 SALIENT FEATURES

2.3.1 Linkage to Reforms

2.3.1.1 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.

2.3.1.2 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.

2.3.2 Eligible Marketing Infrastructure

2.3.2.1 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.

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

2.3.2.2.1 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.

2.3.2.2.2 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.

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

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

2.3.2.2.5 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.

2.3.2.2.6 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.

2.3.2.2.7 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.

2.3.2.2.8 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.

2.3.2.2.9 The above eligible marketing infrastructure projects are however subject to the restrictions provided in the indicative negative list as at **Annexure-VII**. DAC may modify or amend the negative list from time to time.

2.3.3 Eligible Beneficiaries

Assistance under the sub scheme will be available to:

2.3.3.1 Individuals, Group of farmers/growers, Registered Farmer Producer Organisations (FPOs).

2.3.3.2 Partnership/Proprietary firms, Companies, Corporations.

2.3.3.3 Non-Government Organizations (NGOs), Self Help Groups (SHGs).

2.3.3.4 Cooperatives, Cooperative Marketing Federations.

2.3.3.5 Autonomous Bodies of the Government, Local Bodies (excluding Municipal Corporations for storage infrastructure projects), Panchayats.

2.3.3.6 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.

2.3.4 Institutional Lending

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

2.3.4.1 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.

2.3.4.2 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.

2.3.4.3 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.

2.3.4.4 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.

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

2.3.5 Channelising Agencies for Release of Subsidy

2.3.5.1 Subsidy will be released through NABARD for the 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.

2.3.5.2 Subsidy will be released through NCDC for projects financed by NCDC or by cooperative banks recognized by NCDC in accordance with NCDC's eligibility guidelines.

2.3.5.3 Subsidy will be released directly by DAC in case of projects promoted by State agencies which propose to invest their own funds without availing any loan.

2.3.5.4 In addition to NABARD and NCDC, DAC may authorize Small Farmers Agribusiness Consortium (SFAC) for release of subsidy for credit linked projects of private sector/ State agencies including FPOs.

2.3.6 Promoter's Contribution & Term Loan

2.3.6.1 Minimum promoter's contribution should be 20% of the project cost. Minimum Term loan (including subsidy) to be sanctioned by the Financial Institution (FI) should be 50% of the project cost.

2.3.6.2 However, Promoter's contribution for storage infrastructure projects of State Government and State Government agencies financed under Rural Infrastructure Development Fund (RIDF)/Warehouse Infrastructure Fund (WIF) of NABARD may be relaxed as per their respective fund guidelines.

2.3.6.3 Promoter's Contribution in case of own funded State agency projects should be 75%/66.67% of the project cost as the case may be.

2.3.7 Subsidy Pattern

The sub scheme envisages back-ended capital subsidy for investment in eligible storage and marketing infrastructure projects as under:

2.3.7.1 For Storage Infrastructure Projects

2.3.7.1.1 Capital cost of the project for the purpose of subsidy will be calculated on the project cost as appraised by Financial Institution or actual cost of eligible components as certified by a Chartered Accountant, whichever is lower subject to the subsidy ceiling per MT as well as overall ceiling given on next page.

2.3.7.1.2 For renovation of storage projects by cooperatives financed by NCDC and Cooperative banks subsidy will be 25% of the project cost as appraised by FI or actual cost whichever is lower subject to subsidy ceiling of ₹187.50 per MT of storage capacity.

2.3.7.1.3 Cost norms for computing subsidy for silos will be same as for other storage infrastructure.

Category	Rate of Subsidy (on capital cost)	Subsidy ceiling		
		Up to 1000 MT in ₹/MT	More than 1000MT and upto 30000 MT in ₹/MT	Maximum ceiling (₹ Lakhs)
A. North Eastern States, Sikkim, UTs of Andaman & Nicobar and Lakshadweep Islands, hilly* areas	33.33%	1333.20	1333.20	400.00
B. In other Areas				
1. For Registered FPOs, Panchayats, Women, Scheduled Caste(SC)/ Scheduled Tribe (ST) beneficiaries or their cooperatives**/Self-help groups	33.33%	1166.55	1000.00	300.00
2. For all Other categories of beneficiaries	25%	875.00	750.00	225.00

* Hilly area is a place at an altitude of more than 1,000 meters above mean sea level.

** SC/ST Cooperatives to be certified by the concerned officer of the State Government.

2.3.7.2 For Infrastructure Projects Other than Storage Infrastructure

Capital cost of the project for the purpose of subsidy will be calculated on the Project cost as appraised by Financial Institution or actual cost of eligible components as certified by a Chartered Accountant, whichever is lower.

Category	Rate of Subsidy (on capital cost)	Maximum Subsidy Ceiling (₹ in lakhs)
A. North Eastern States, Sikkim, States of Uttarakhand, Himachal Pradesh, Jammu & Kashmir, UTs of Andaman & Nicobar and Lakshadweep Islands, hilly* and tribal areas	33.33%	500.00
B. In Other Areas		
1. For Registered FPOs, Women, Scheduled Caste(SC)/ Scheduled Tribe (ST) beneficiaries or their cooperatives**	33.33%	500.00
2. For all Other categories of beneficiaries	25%	400.00

* Hilly area is a place at an altitude of more than 1,000 meters above mean sea level.

** SC/ST Cooperatives to be certified by the concerned officer of the State Government.

2.3.8 Subsidy Ceiling

2.3.8.1 For land based projects

The total subsidy which can be availed of by a promoter for all his/her projects in a District during XII plan period (2012-17) will be restricted to a maximum ceiling of ₹4 crores or ₹5 crores as the case may be. For example if a promoter intends to have more than one project of the same or different type including storage project in the same District he/she will be eligible for a maximum subsidy up to ₹4 crores or ₹5 crores as the case may be. However, for all such projects of the same promoter in a District, the maximum capacity for storage infrastructure (including other functional infrastructure projects) will be restricted to 30,000 MT capacity.

For the purpose of calculation of maximum permissible subsidy (₹4 crores or ₹5 crores as the case may be), NABARD, before sanctioning advance subsidy for a project constructed on private leased land, will take in to consideration all projects sanctioned till that date, during XII plan period, on land owned by owner of such leased land. For such cases, RO, NABARD may conduct necessary enquiry to ensure the compliance of this provision regarding maximum permissible limit and if necessary, NABARD may also refer such cases for special attention of Joint Inspection Committee.

2.3.8.2 For non-land based projects

For projects involving standalone mobile infrastructure such as reefer van, combine harvesters (wherever permissible) etc., the maximum amount of subsidy that can be availed of by a promoter in a State/UT during the XII plan period (2012–2017) is ₹4 crores or ₹5 crores as the case may be. It is also made clear that this applies only to those promoters who have not availed full benefit under para 2.3.8.1. For example, if a promoter has already availed the benefit of the scheme during XII plan period in a District, the maximum benefit eligible under this provision will be confined to maximum permissible subsidy minus the subsidy already availed.

2.3.8.3 To determine the eligibility of projects for maximum permissible subsidy, the date of sanction of loan by FI should be between 01.04.2012 to 31.03.2017.

For the purpose of calculation of maximum permissible subsidy, all the projects sanctioned under erstwhile AMIGS and RGY since 1.4.2012 will be accounted for as if sanctioned under this sub scheme.

2.3.8.4 There will be no maximum ceiling on subsidy in the case of infrastructure projects of State agencies. However, this is not applicable for storage infrastructure projects of State agencies.

2.3.8.5 There will be no maximum ceiling on subsidy in case of storage infrastructure projects of cooperatives assisted by NCDC.

2.3.8.6 Co-ownership projects

In case of infrastructure projects including storage infrastructure projects having co-ownership from categories eligible for different rates of subsidy, the subsidy will be available at the lower rate.

2.3.9 Release of Funds and Subsidy

2.3.9.1 For Projects Processed by NABARD

2.3.9.1.1 Release of Subsidy by DAC to NABARD

At the commencement of each financial year, based on the Administrative Approval, 50% of the annual budget allocation minus the opening balance at the beginning of the financial year available with NABARD, will be released to NABARD by DAC in advance.

The balance allocation will be released upon submission of provisional Utilization Certificate in prescribed format (**Annexure VIII**) by NABARD indicating 60% utilization of the total fund available in the current financial year and Audited Utilization Certificate and statement of account relating to grant released in the preceding year.

2.3.9.1.2 Advance subsidy

NABARD will release advance subsidy to the FI for keeping the same in a Subsidy Reserve Fund (SRF) account of the concerned borrowers, to be adjusted finally against loan amount. This amount of 50% eligible subsidy would be released by NABARD to the FI on submission of a project profile-cum-claim form (**Annexure-IX**) complying to sub scheme guidelines.

2.3.9.1.3 Final subsidy

Remaining 50% of the eligible subsidy amount will be released to the FI by NABARD after an inspection and recommendation by a Joint Inspection Committee (JIC) comprising of officers from NABARD (or its representative), FI and Directorate of Marketing & Inspection (DMI).

2.3.9.1.4 NABARD, HO will also forward a compiled project-wise list of the sanctioned and completed projects to the Head Office of DMI.

2.3.9.1.5 The release of subsidy by NABARD to FIs will be subject to availability of funds from DAC.

2.3.9.2 For projects processed by NCDC

2.3.9.2.1 At the start of each financial year, based on the Administrative Approval, 50% of the projected annual requirement minus the opening balance at the beginning of the financial year available with NCDC will be released to NCDC by DAC in advance. The balance of the requirement will be released upon submission of Provisional Utilization Certificate in prescribed format by NCDC indicating 60% utilization of the total fund available in the current financial year and Audited Utilization Certificate and statement of account relating to grant released in the preceding year.

2.3.9.2.2 NCDC will release subsidy in two equal instalments of which first instalment will be released on approval of the project and the second instalment will be released after inspection of the project. NCDC will release the final subsidy and send a project-wise copy of the release letter to DMI, HO. NCDC will furnish provisional utilization certificate in prescribed format (**Annexure-VIII**) to DMI, HO after every release of fund from DAC.

2.3.9.2.3 NCDC, HO will also forward a compiled project-wise list of the sanctioned and completed projects to the Head Office of DMI.

2.3.9.2.4 The release of subsidy by NCDC will be subject to availability of funds from DAC.

2.3.9.3 For own funded state agency projects

In the case of own funded State agency projects, subsidy will be released directly by DAC in two equal instalments of which first instalment will be released on approval of the project by the Sanctioning Committee and the second instalment will be released after inspection of the project. The release of subsidy will be subject to availability of funds with DAC.

2.3.10 Adjustment of Subsidy in Borrower's Account

2.3.10.1 As the adjustment of subsidy is back ended, the full project cost including the subsidy amount, but excluding the margin money contribution from the promoter, will be disbursed as loan by the FI. The repayment schedule will be drawn on the loan amount in such a way that the total subsidy amount is adjusted after the full loan component with interest is liquidated but not before five years from the date of disbursement of first installment of loan.

2.3.10.2 The subsidy admissible to the promoter under the sub scheme will be kept in the Subsidy Reserve Fund Account (Borrower-wise) in the books of the FI. On receipt of subsidy by the FI, the loan amount to that extent would be treated as reduced for calculation of interest. No interest would be charged on subsidy received by the FI from the date of receipt of subsidy. FI has to ensure that the subsidy is kept in SRF account only and not in fixed deposits, savings account etc.

2.3.11 Time Schedule for Submission of Application and Completion of Project

2.3.11.1 For disbursement of advance subsidy

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 RO, NABARD & DMI. NABARD will, every quarter, compile a list of all proposals that have not been submitted in time (viz. within 90 days) and forward the same to DMI, RO/SO. RO, 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.

2.3.11.2. All the projects sanctioned by FIs under the previous guidelines (applicable till 31.3.2014) will have to apply to RO, NABARD for availing advance subsidy by 30th September, 2014. RO, NABARD will place the matter before the State Level Banker's Committee (SLBC) to ensure submission of such claims by all the FIs before 30th September, 2014.

2.3.11.3 For all credit linked projects processed by NABARD and NCDC

The time schedule for completion and submission of documents for final subsidy will be as follows:

Projects	Time limit* for submission of documents after completion of project for final subsidy	Extended time limit with penalty	Penalty for extended time limit	Consequences of non-submission of documents after completion of project in prescribed time
Projects with TFO up to ₹500.00 lakhs	18** Months from the date of disbursement of the first instalment of loan	Extension of time limit by 6 months will be allowed subject to penalty as explained in next column.	Rate of subsidy will be reduced by 1% for delay of each month or part thereof. Delay by 1 day to 30 days would constitute one month and a delay by 31 days to 60 days would constitute two months and so on. (eg.: in case of a project eligible for 25% subsidy, if after completion of project, documents are not submitted within the prescribed time period but are submitted in 4^{th} month of the extended period, the permissible subsidy will be reduced by 4% i.e. effective subsidy in this case 25% - 4% = 21% subsidy).	The project will not be eligible for subsidy if documents are not submitted after completion within prescribed time period (including extended period of 6 months). Advance subsidy released will have to be refunded forthwith by the FI.
Projects with TFO of more than ₹500.00 lakhs	24** Months from the date of disbursement of the first instalment of loan			

* For the purpose of calculation of time limit, the date of completion of the project will be reckoned as the date of submission of latter of the following two documents (completion certificate signed by approved engineer/ registered architect and item-wise actual expenditure by chartered accountant) by the promoter to the FI.

** For projects promoted by cooperative and processed through NCDC, further grace period of 6 months may be allowed by NCDC.

2.3.11.4 For own funded state agency projects

Projects	Time limit for submission of documents after completion of project for final subsidy	Extended time limit with penalty	Penalty for extended time limit	Consequences of non-submission of documents after completion of project in prescribed time
Own funded State Agency Projects irrespective of TFO	Time limit of 30 months from the date of approval of the project by the Sanctioning Committee of DAC, is prescribed for submission of progress report showing that the State agency has fully utilized its own contribution for the project (75%/66.67% as the case may be) and the advance subsidy received	Extension of time limit by 6 months will be allowed subject to penalty as explained in next column.	Rate of subsidy will be reduced by 1% for delay of each month or part thereof. Delay by 1 day to 30 days would constitute one month and a delay by 31 days to 60 days would constitute two months and so on. (eg.: in case of a project eligible for 25% subsidy, if progress report for final subsidy is not submitted within the prescribed time period but are submitted in 4th month of the extended period, the permissible subsidy will be reduced by 4% i.e. effective subsidy in this case 25% - 4% = 21% subsidy).	The project will not be eligible for final subsidy if progress report for final subsidy is not submitted within prescribed time period (including extended period of 6 months). Further, in cases where the progress report is submitted after the prescribed time limit including the extended period of 6 months, the total subsidy will be limited to advance subsidy released (if utilised) based on the actual progress.

2.3.11.5 For the purpose of submission of progress report for release of final subsidy, the State agency should submit all the documents, including item-wise actual expenditure certified by chartered accountant and item-wise progress certified by their approved engineer/registered architect clearly indicating that State agency has fully utilized its own contribution for the project (75%/66.67% as the case may be) and the advance subsidy received, within the prescribed time period.

2.3.12 Land and Location

2.3.12.1 On the basis of economic viability and commercial considerations, promoters will be free to locate the marketing infrastructure projects including storage infrastructure projects at any place of their choice. However, storage infrastructure projects should be outside the limits of Municipal Corporation areas except in cases where these are situated within Food Parks, Market Yards/APMCs, Industrial areas established or approved by State or Central agencies etc.

2.3.12.2 Normally, marketing infrastructure projects including storage projects should be established on land owned by the promoter.

Subsidy will also be available for projects constructed on registered leased land allotted by Urban Development Authorities, Industrial Development and Infrastructure Corporations of the State Government/Union Territories, Food Parks sanctioned by the Ministry of Food Processing Industries (MoFPI) etc. In all other cases, subsidy will also be made available for projects established on registered leased land, provided the tenure of such lease is more than 15 years.

2.3.12.3 Permissible cost of the land in TFO

(i) In case of owned land, land cost at market value or purchase price as indicated in the registered sale deed whichever is lower, not exceeding 10% of the project cost may form part of promoter's contribution.

(ii) In case of leased land, allotted by Urban Development Authorities, Industrial Development and Infrastructure Corporations of the State Government/Union Territories, Food Parks sanctioned by the Ministry of Food Processing Industries (MoFPI) etc., irrespective of the tenure of the lease, lease premium paid or onetime cost paid not exceeding 10% of the project cost may form part of promoter's contribution.

(iii) For other leased land, land cost/lease premium/lease rent will not be counted towards project cost for the calculation of subsidy and will not form part of promoter's contribution.

2.3.13 Capacity of Storage Infrastructure Projects

2.3.13.1. For claiming subsidy under the sub scheme, the capacity of the storage project should normally be between 50 tonnes to 30,000 tonnes. However, in hilly areas where the project site is located at a height of more than 1000 meters above mean sea level, the project with capacity of 25 tonnes and above up to 30,000 tonnes will also be eligible.

2.3.13.2 The capacity of storage infrastructure projects will be calculated @ 1.8 MT per square meter of floor area for projects having average height of 4.5 meter and above. For storage infrastructure having average height less than 4.5 meters, the capacity will be calculated @ 0.4 MT per cubic meter of storage volume. The height of the storage infrastructure will be measured from the floor level to the bottom of the truss. In case of storage infrastructure with RCC roof, the height to be considered will be height of the ceiling minus one meter.

2.3.13.3 Capacity of silos will be calculated @0.62 MT per cubic meter volume of silo.

2.3.14 Important Technical Specifications for Storage Infrastructure Projects

2.3.14.1 Storage infrastructure projects to be built under the sub scheme should be constructed based on structurally sound engineering design and should also be functionally suitable for storage of agricultural produce.

One of the objectives of promoting investment in storage infrastructure is to facilitate remunerative prices to farmers for their agricultural produce through the mechanism of Negotiable Warehousing Receipt System (NWRS). Therefore, if storage infrastructures conform to specifications prescribed by Warehousing Development and Regulatory Authority (WDRA) it would facilitate taking advantage of NWRS subsequent to such warehouse accredited and registered with WDRA. Specifications as detailed below are to be followed.

2.3.14.2 Structural specifications

2.3.14.2.1 As prescribed by WDRA for NWRS, warehouses are to be constructed as per Central Warehousing Corporation (CWC) or Food Corporation of India (FCI) standards. (The specifications are available at www.cewacor.nic.in and www.fciweb.nic.in).

2.3.14.2.2 For storage of Onions, specifications prescribed by National Horticulture Research & Development Foundation (NHRDF) should be followed.

2.3.14.2.3 For permissible cold storage projects, ripening chamber etc., the technical specifications of NHM available at www.nhm.nic.in should be followed.

2.3.14.3 Other technical specifications

Structure should:

(i) Be properly ventilated, have well fitted rolling shutters/steel doors, air inlets/windows and ventilators and should be waterproof (control of moisture from floor, walls and roof etc.).

(ii) Have a minimum plinth height of 2.5 feet. However, for smaller storage infrastructures (up to 500 MT), plinth height should be a minimum of 1.5 feet.

(iii) Have protection from rodents, a minimum plinth projection of 1.5 feet all around the storage infrastructure should be provided. However, for smaller storage infrastructures (up to 500 MT), a minimum plinth projection of 1.5 feet at the entry points for protection from rodents should be provided.

(iv) Have protection from birds (air inlets/ventilators with wire mesh).

(v) Have a proper approach road, internal roads, proper drainage, arrangements for effective control against fire and theft and also have arrangements for easy loading and unloading.

(vi) Only removable steps are to be provided.

2.3.14.4 Management practices for storage infrastructure

In addition, WDRA has prescribed certain management practices, such as fire fighting equipments, security arrangement, appointment of technical staff, availability of chemicals for preservation of agricultural produce, lab facilities, weighment facilities and insurance and banking etc. The promoter and their technical staff may be trained on accreditation and registration with WDRA.

2.3.14.5 All new technology innovation such as pre-engineering building structures will also be eligible.

2.3.14.6 On need basis, for specific commodities and any innovation, DAC may modify these specifications from time to time.

2.3.15 Pledge Finance

The farmers keeping their produce in the storage infrastructure will be eligible to avail pledge loan on hypothecation of their produce. The terms and conditions governing pledge loans viz. margin, rate of interest, period of pledge, amount etc. will be as per the guidelines issued by RBI/NABARD and as per normal banking practices followed by the Financial Institutions.

In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses against warehouse receipts, benefit of applicable interest subvention will be available to banks for extending credit support to small and marginal farmers having Kisan Credit Card against negotiable warehouse receipt for keeping their produce in warehouses.

2.4 PROCEDURE TO BE FOLLOWED FOR SANCTIONING OF PROJECTS AND RELEASE OF SUBSIDY

2.4.1 Projects Processed by NABARD

2.4.1.1 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.

2.4.1.2 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.**

2.4.1.3 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.

2.4.1.4 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.

2.4.1.5 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.

2.4.1.6 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.

2.4.1.6.1 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.

2.4.1.6.2 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.

2.4.1.7 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 schedule prescribed in para 2.3.11.3 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.

2.4.1.9 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.

2.4.1.10 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.

2.4.2 Projects Processed by NCDC

2.4.2.1 For agricultural marketing infrastructure projects including storage infrastructure projects of cooperative institutions, processed by NCDC, cooperative societies will formulate proposals in the format prescribed by NCDC and will submit to

Registrar of Cooperative Societies (RCS)/State Government. The proposal may be submitted directly to NCDC, in case the society concerned fulfils the direct funding norms of NCDC.

2.4.2.2 The RCS/State Government will examine the proposal and recommend to NCDC for consideration.

2.4.2.3 NCDC will consider the proposals by way of desk/field appraisal according to the quantum of assistance involved.

2.4.2.4 NCDC will communicate its sanction to the State Government/directly to the society concerned (in case of direct funding).

2.4.2.5 The pattern of funding, interest rates, mode of release of sanctioned assistance will be as per NCDC's norms and policies as circulated from time to time.

2.4.2.6 The sanctioned assistance will be released through the State Governments or directly to the societies (in case of direct funding). NCDC will release subsidy in two equal instalments of which first instalment will be released on approval of the project and the second instalment will be released after inspection of the project.

2.4.2.7 NCDC will conduct inspection of all the sanctioned projects before releasing final installment of subsidy. Geo-tagged photograph of the project will be attached with the Inspection Report.

2.4.2.8 The State Governments/society concerned (in case of direct funding) will provide progress reports of projects on periodic basis as required by the NCDC.

2.4.2.9 NCDC, HO will compile month wise, a list of the sanctioned projects for advance and final subsidy and forward it to the Head Office of DMI. NCDC, HO will furnish utilization certificate in prescribed format to DMI, HO after every release of fund from DAC.

2.4.3 Own Funded State Agency Projects

2.4.3.1 State agencies that do not wish to avail loan from FIs, may submit the project proposal to DMI, HO, Faridabad directly in **Annexure-XVI**. The proposal should reach DMI within 60 days of approval accorded by the authorities concerned. Subordinate State agencies, such as, APMCs, Local Bodies etc. should submit their proposals to

DMI through their State level Organizations/Departments concerned. A copy of the complete set of proposal may also be endorsed to RO/SO, DMI.

2.4.3.2 DMI will send the proposal, within 60 days of its receipt, for appraisal to NABARD Consultancy Services Pvt. Ltd. (NABCONS), a wholly owned subsidiary of NABARD or any other suitable FI empanelled by the Ministry. However, project proposals which have been prepared by NABCONS or any other FI empanelled by the Ministry and have Feasibility Report and Cost-Benefit Analysis in their Detailed Project Report (DPR), need not be referred again for appraisal by these agencies. The project development facility (PDF) under the sub scheme available with Ch. Charan Singh National Institute of Agricultural Marketing (NIAM), may also be availed for preparing such DPRs.

2.4.3.3 NABCONS or the FI concerned will appraise the project proposal within 90 days of receipt from DMI and forward the proposal with recommendations to the Committee constituted under the Chairmanship of Agricultural Marketing Adviser to the Government of India. The committee will comprise of a representative of concerned State agency, a representative of concerned Regional/Sub-Office of DMI, a representative from the Ministry and from IFD of DAC, an expert from FCI/CWC/WDRA/MoFPI/NHM etc. and a representative of appraisal agency. The proposals which do not need appraisal will be considered directly by the Committee on their receipt in DMI.

2.4.3.4 The Committee will examine and approve the projects found suitable for subsidy within 90 days of receipt of the recommendations of appraisal agency.

2.4.3.5 Subsidy will be released to the State agency concerned directly by DAC in two equal installments depending on the progress of the work. The advance subsidy will be released on approval of the project by the Sanctioning Committee.

2.4.3.6 When the State Government agency has fully utilized both, its contribution for the project (75%/66.67% as the case may be) as well as the advance subsidy received and the project requires only an amount equivalent to the final subsidy for its completion, the agency will request for joint inspection of the project within the prescribed time period. While making such a request, the agency will also enclose a progress report of the project along with certificates regarding item-wise physical progress from their approved engineer/registered architect and certificate regarding item-wise financial progress from Chartered Accountant along with final subsidy claim in **Annexure-XVII.**

2.4.3.7 Any cost escalation or change in quantity of works etc. over and above the original project proposal sanctioned by Sanctioning Committee will have to be met by the State agency concerned, before seeking release of the final subsidy.

2.4.3.8 The joint inspection of the project will be conducted by a committee comprising of officers of DMI, representative of the appraisal agency and representative of the concerned State agency.

2.4.3.9 The inspection report in **Annexure-XVIII** will be submitted by concerned state agency to DMI, HO through DMI, RO/SO for the release of final subsidy within 60 days of joint inspection. Photograph of the project will also be attached with the inspection report.

2.4.3.10 On receipt of final subsidy claim from DMI, RO/SO, DMI, HO will process the claim within 90 days and submit to DAC for release of final subsidy.

2.4.3.11 The time schedule prescribed in para 2.3.11.4 must be adhered to for submission of progress report for final subsidy along with relevant documents complete in all respects, 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 State agency.

2.4.3.12 State agency concerned will furnish utilization certificate in prescribed format **Annexure-VIII** to DMI, HO after every release of fund from DAC.

2.4.3.13 The monitoring of progress of these projects will be done by DMI through its Regional/ Sub Offices. DMI, RO/SO will also maintain all data/information.

2.5 OTHER CONDITIONS

2.5.1 The project should be commenced only after term loan is sanctioned for the project proposal by the FI/NCDC and in case of own funded state agency projects, the project should be commenced only after approval of the project proposal by Sanctioning Committee of DAC is received.

2.5.2 If a case arises for refund of subsidy, and the subsidy is not refunded by the FI to NABARD within 90 days of intimation, the FI will attract penal interest @ bank rate + 1%. In no case, will it be charged to the promoter.

2.5.3 The FI/NCDC/NABARD etc., will adhere to their own norms for appraisal of projects for sanction of term loan.

2.5.4 It will be the responsibility of the promoter to comply with all the applicable laws, obtain requisite approvals from the concerned authorities to build and operate the projects as well as to insure the project. DAC, DMI, NABARD or NCDC will not be responsible for any such violation by the promoter.

2.5.5 The promoter may be informed about the deficiencies pointed out by the joint inspection committee at the time of inspection for compliance.

2.5.6 A prominent signboard at the site of the project stating "Assisted under Integrated Scheme for Agricultural Marketing of Ministry of Agriculture, Government of India" in local language/Hindi/English will be exhibited.

2.5.7 Government's interpretations of various terms of these guidelines will be final. Government reserves the right to modify, add and delete any term and condition and restrict/stipulate any provision without assigning any reason thereof.

2.5.8 Besides Joint Inspection, pre and post-completion inspections of the project may be undertaken to verify physical, financial and operational progress, as and when required, by DAC or any other agency approved by DAC.

2.5.9 The promoter will not alienate the land and the project during the period of the term loan for any purpose other than the purpose for which the subsidy is extended. An affidavit to this effect should be submitted by the promoter with the application for loan.

2.5.10 No subsidy shall be availed of for the project proposal submitted under sub scheme of AMI from any other Central Government scheme including Rashtriya Krishi Vikas Yojana (RKVY). An Affidavit to the effect that subsidy has not been availed of and will not be availed of from any other Scheme of the Central Government will be submitted along with the application.

2.5.11 The promoter will be liable to refund the subsidy of the project or its component that is dropped/cancelled or if any change is made in any of the components of the project sanctioned. Affidavit to this effect will be submitted by the promoter at the time of submission of the project proposal.

2.5.12 The promoter will take prior approval of NABARD/NCDC in case of takeover of loan account together with SRF account by another FI (without altering the repayment schedule) is intended.

2.5.13 Assistance under the sub scheme will be available only on capital cost of the project.

2.5.14 The promoter will submit a notarised affidavit as per **Annexure-XIX.**

2.5.15 An Empowered Committee constituted under the chairmanship of Additional Secretary (DAC) and comprising of Joint Secretary (Marketing)/Agricultural Marketing Adviser, Director (Marketing), Joint Agricultural Marketing Adviser and Director/ Deputy Secretary (Finance), IFD, DAC will resolve difficulties and smaller case to case specific decisions on implementation issues.

2.5.16 DAC may claim up to 0.5% of the scheme funds at its level for incurring administrative expenditure towards more effective MIS, monitoring, impact assessment, hiring consultants, conducting studies, publicity, advertisement, training, evaluations, study tours, extension, preparation of Model projects and any other facilitative mechanism for more effective implementation of the sub scheme.

2.5.17 NABARD, NCDC and SFAC will be provided processing charges of 0.5% of the total subsidy released by them towards activities such as processing of projects, inspection, monitoring, hiring consultants, for developing and maintaining MIS, Geo-tagged photographs, training, publicity, study, evaluation etc. These agencies would be authorized to automatically debit the processing charge on release of final subsidy from the funds received from DAC and the same will be accounted for in the utilization certificate to be submitted by them.

2.5.18 On establishment of MIS, the procedure for release of subsidy may be implemented through online mode.

2.5.19 The FI after sanction of the project should monitor the progress of the project. In case, for any reason there is variation in the project, subsidy would be restricted to the original proposal or to actual whichever is lower.

2.5.20 DAC through DMI ROs/SOs or any other approved agency may take up random check inspection of 5% of projects for which final subsidy is released, to verify the utilization of the project for which it is intended, on yearly basis. Needful action will be taken based on the inspection report.

2.5.21 All earlier instructions issued by DAC/DMI in respect of GBY & AMIGS schemes will stand superseded with the issue of these new Operational Guidelines.

2.5.22 The new guidelines will be effective for the projects for which term loan is sanctioned by FIs/NABARD/NCDC and own funded State agency projects approved by DAC on or after **1st April, 2014.**

2.5.23 FIs/NABARD/NCDC/DMI will maintain all data/information separately for projects sanctioned during XII plan.

2.6 MONITORING

2.6.1 Monitoring of each project will be done by FI, NABARD, NCDC and by DMI through its Regional/Sub offices.

2.6.2 Review of progress of sub scheme of AMI will be done once in two months by DMI Regional/Sub offices with NABARD under the Chairmanship of Chief General Manager (CGM) of NABARD in the concerned State.

2.6.3 A Regional Coordination Committee (RCC) may be constituted, comprising DMI, NABARD/NCDC and leading bankers in each state including SLBC convenor to review the progress under the scheme, under the Chairmanship of CGM, NABARD. RCC may meet once in every quarter.

2.6.4 NABARD, Regional Office will submit a monthly progress report to its Head Office and to concerned Regional/Sub Offices of DMI.

2.6.5 Review of progress of cooperative projects will be done on quarterly basis by DMI Regional/Sub offices with NCDC under the Chairmanship of Regional Director of NCDC in the concerned State.

2.6.6 Biannual meetings will also be held at DAC level with NABARD, NCDC and NIAM Officials under the Chairmanship of Joint Secretary (Marketing)/AMA.

2.6.7 NABARD, RO/NCDC, RO and DMI, RO/SO will also monitor each project for completion, for conducting Joint Inspection and for timely release of subsidy.

2.6.8 The progress report of the sub scheme will be submitted by NABARD/NCDC/NIAM directly to the Head office of DMI on a monthly basis as per format at **Annexure-XX** and as revised from time to time.

2.7 GENERAL AWARENESS AND TRAINING PROGRAMME

General awareness, advertisement, publicity and training programmes for farmers, market functionaries, entrepreneurs and other stakeholders in establishment, maintenance and operation of infrastructure projects, registration/accreditation with WDRA and also on agricultural marketing in general including on grading and standardization, will be taken up through Ch. Charan Singh National Institute of Agricultural Marketing (NIAM), Jaipur, National Institute of Agricultural Extension Management (MANAGE), Hyderabad, Training of Personnel in Cooperative Institute (TOPIC), Gurgaon, NABARD and other national and state level institution/Universities. General awareness, advertisement, publicity and training programmes will be taken up with a special focus on promoters from SC/ST category & North Eastern Region and in the States/UTs where the sub scheme has not picked up in the past. NIAM would also arrange for consultancy services for setting up of a "Project Development Facility" to catalyze investment credit in agri-infrastructure projects.

2.8 FINANCIAL OUTLAY FOR THE XII PLAN

(₹ in crore)

Head	2012-13	2013-14	2014-15	2015-16	2016-17	Total
1.Grant-in-aid	419.69	667.60	776.00	993.70	1126.21	3983.20
2. Machinery & Equipments	0.00	1.00	1.25	1.75	2.00	6.00
3. Minor Works	0.30	0.30	0.50	0.70	0.70	2.50
4. Traveling Expenditure (DTE & FTE)	0.13	0.50	1.25	1.25	1.37	4.50
5. Professional Services (PS)	0.07	0.60	1.00	1.00	1.13	3.80
Grand Total	**420.19**	**670.00**	**780.00**	**998.40**	**1131.41**	**4000.00**

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ILLUSTRATIVE LIST OF PROCESSING ACTIVITIES

	Primary processing	Secondary processing	Tertiary processing
Fruits & Vegetables	Cleaning, Sorting, Grading & Cutting	Slices, pulps, flakes, paste, preserved & Flavoured	Ketchups, jam juices, pickles, preserves, candies, chips, etc.
Grains & Seeds	Sorting, & Grading	Flour, Broken, Rice, Puff, Malt & Milling	Biscuits, noodles, flakes, cakes, namkeen
Oilseeds	Sorting & Grading	Oil Cakes	Sunflower, groundnut, mustard, soya, olive oil, etc.
Beverages	Sorting, Bleaching & Grading	Leaf, Dust & Powder	Tea bags, flavoured, coffee, soft drinks, alcoholic beverages.
Milk	Grading & Refrigerating	Cottage cheese, Cream, Simmered & Dried Milk	Processed milk spreadable fats (butter and cheese), Yoghurt.
Meat & Poultry	Sorting & Refrigerating	Cut, Fried, Frozen & Chilled	Ready to eat meals.
Marine products	Chilling & Freezing	Cut, Fried, Frozen, Chilled	Ready to eat meals.

The above table is indicative and does not illustrate all processes.

EXAMPLES FOR CALCULATION OF ELIGIBLE SUBSIDY FOR COMMON FACILITIES AND ANCILLARY/SUPPORTING INFRASTRUCTURE IN MARKET YARD PROJECTS, ELIGIBLE @ 25% SUBSIDY

1. Scenario One: Ancillary/supporting infrastructure equal to 25% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Common facilities in market yard	600.00	75%	600.00	150.00
Ancillary/supporting infrastructure	400.00	25%	200.00	50.00
Total	**1000.00**	**100%**	**800.00**	**200.00***

* Subsidy will not be ₹250.00 lakhs @ 25% of ₹1000.00 lakhs.

2. Scenario two: Ancillary/supporting infrastructure more than 25% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Common facilities in market yard	400.00	75%	400.00	100.00
Ancillary/supporting infrastructure	600.00	25%	133.33	33.33
Total	**1000.00**	**100%**	**533.33**	**133.33***

* Subsidy will not be ₹250.00 lakhs @ 25% of ₹1000.00 lakhs.

3. Scenario three: Ancillary/supporting infrastructure more than 25% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Common facilities in market yard	1500.00	75%	1500.00	375.00
Ancillary/supporting infrastructure	1000.00	25%	100.00	25.00
Total	**2500.00**	**100%**	**1600.00**	**400.00***

* Subsidy will not be ₹625.00 lakhs @ 25% of ₹2500.00 lakhs.

4. Scenario four: Ancillary/supporting infrastructure less than 25% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Common facilities in market yard	2000.00	75%	1600.00	400.00
Ancillary/supporting infrastructure	500.00	25%	0.00	0.00
Total	**2500.00**	**100%**	**1600.00**	**400.00***

* Subsidy will not be ₹625.00 lakhs @ 25% of ₹2500.00 lakhs.

EXAMPLES FOR CALCULATION OF ELIGIBLE SUBSIDY FOR FUNCTIONAL INFRASTRUCTURE PROJECTS INVOLVING INSTALLATION OF PLANT & MACHINERY ELIGIBLE @ 25% SUBSIDY

1. Scenario One: Plant & Machinery equal to 25% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Plant & Machinery	300.00	25%	300.00	75.00
Civil structure	900.00	75%	900.00**	225.00
Total	**1200.00**	**100%**	**1200.00**	**300.00***

* Subsidy will be ₹300.00 lakhs @ 25% as Plant & Machinery equal to 25% of TFO.

2. Scenario Two: Plant & Machinery less than 25% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Plant & Machinery	200.00	25%	200.00	50.00
Civil structure	1000.00	75%	600.00**	150.00
Total	**1200.00**	**100%**	**800.00**	**200.00***

* Subsidy will not be ₹300.00 lakhs @ 25% of ₹1200.00 lakhs.

3. Scenario Three: Plant & Machinery less than 25% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Plant & Machinery	500.00	25%	500.00	125.00
Civil structure	1900.00	75%	1500.00**	275.00
Total	**2400.00**	**100%**	**2000.00**	**400.00***

* Subsidy will not be ₹600.00 lakhs @ 25% of ₹2400.00 lakhs.

4. Scenario Four: Plant & Machinery less than 25% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Plant & Machinery	300.00	25%	300.00	75.00
Civil structure	2100.00	75%	900.00**	225.00
Total	**2400.00**	**100%**	**1200.00**	**300.00***

* Subsidy will not be ₹600.00 lakhs @ 25% of ₹2400.00 lakhs.

** If infrastructure is of the nature of storage, the cost of the civil structure will be as calculated above or as per the capacity and cost norms of the storage infrastructure, whichever is lower.

YEAR WISE MAXIMUM CAPACITY CEILING OF SILOS

Year	Target of Storage infrastructure in lakh MT	Capacity ceiling of Silos in lakh MT
2014-15	45.00	11.25
2015-16	50.00	12.50
2016-17	50.00	12.50

EXAMPLES FOR CALCULATION OF ELIGIBLE SUBSIDY FOR INTEGRATED VALUE CHAIN PROJECTS HAVING COLD STORAGE COMPONENT IS EQUAL OR MORE THAN 75% OF TFO, AND ELIGIBLE @ 25% SUBSIDY

1. Scenario One: Cold storage component equal to 75% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Cold storage	600.00	75%	600.00**	150.00
Other infrastructure	200.00	25%	200.00	50.00
Total	**800.00**	**100%**	**800.00**	**200.00***

* Subsidy will be ₹200.00 lakhs @ 25% as cold storage equal to 75% of TFO.

2. Scenario Two: Cold storage component more than 75% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Cold storage	700.00	75%	300.00**	75.00
Other infrastructure	100.00	25%	100.00	25.00
Total	**800.00**	**100%**	**400.00**	**100.00***

* Subsidy will not be ₹200.00 lakhs @ 25% of ₹800.00 lakhs.

3. Scenario Three: Cold storage component more than 75% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Cold storage	1600.00	75%	1200.00**	300.00
Other infrastructure	400.00	25%	400.00	100.00
Total	**2000.00**	**100%**	**1600.00**	**400.00***

* Subsidy will not be ₹500.00 lakhs @ 25% of ₹2000.00 lakhs.

4. Scenario Four: Cold storage component more than 75% of TFO

(₹ in lakhs)

Components of Project	Cost	Eligible % of TFO	Eligible cost	Eligible subsidy
Cold storage	1800.00	75%	600.00**	150.00
Other infrastructure	200.00	25%	200.00	50.00
Total	**2000.00**	**100%**	**800.00**	**200.00***

* Subsidy will not be ₹500.00 lakhs @ 25% of ₹2000.00 lakhs.

** In an integrated value chain project having cold storage component, the cost of cold storage will be as calculated above or as per the capacity calculation and cost norms of the NHM, DAC, whichever is lower.

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 & Tamilnadu)
2. Standalone cold storages
3. Retail shops
4. Silos as part of integrated project

GFR 19 – A

FORM OF UTILIZATION CERTIFICATE

<table>
<tr><th>S.No</th><th>Letter No. and date</th><th>Amount (₹)</th><td rowspan="4">Certified that out of ₹__________ of Grants in aid sanctioned during the year _______ in favour of ________________ under this Ministry/ Department letter No. given in the margin and ₹ __________ on account of unspent balance of the previous year, a sum of ₹__________ has been utilized for the purpose of ________________ for which it was sanctioned and that the balance of ₹____________ remaining un utilized at the end of the year has been surrendered to Government (vide No.________ dated ________) will be adjusted towards the grants-in-aid payable during the next year</td></tr>
<tr><td>1.</td><td></td><td></td></tr>
<tr><td>2.</td><td></td><td></td></tr>
<tr><td></td><td>Total:</td><td></td></tr>
</table>

1. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised that following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised.

1.

2.

3.

Signature: ________________

Designation: ______________

Date: ____________________

PROJECT PROFILE CUM CLAIM FORM FOR CLAIMING 50% ADVANCE SUBSIDY

(To be Submitted by Financial Institution to Nabard and DMI)

To,

(1) Regional Office, NABARD

(2) Regional/Sub-office of Directorate of Marketing & Inspection
(nearest as per addresses enclosed)

Agricultural Marketing Infrastructure
Sub scheme of Integrated Scheme for Agricultural Marketing

1. (i) Name & full Address of project including Tehsil/Taluka/ District with telephone number and email ID:

   (ii) Whether located in North East Region/States of Uttarakhand, Himachal Pradesh, Jammu & Kashmir, Andaman & Nicobar Islands and Lakshadweep Island/Hilly Areas/Tribal Areas :

2. (i) Name & full address of promoter with telephone number and email ID :

   (ii) Category specify :

   a) Whether belongs to Registered FPOs/Women/SC/ST/ their Co-operatives :

   b) Individual :

   c) Company/Corporation :

   d) State agency :

   e) Others :

3. Name & full address of Financial Institution with telephone number and email ID :

4. Date of receipt of proposal/application :

5. (a) Date and amount of sanction of term loan by Financial Institution :

   (b) Date of disbursement of first installment of loan and amount disbursed :

6. Rate of entitlement of subsidy for projects (25%/33.33%) :

7. Item-wise financial projections

Component	As per project report (₹)	As approved by FI (₹)
i) Marketing Infrastructure/Storage Infrastructure		
ii) Allied facilities/infrastructure/Plant & Machinery		
a)		
b)		
iii) Cost of civil structure		
iv) Cost for processing		
a) Cost relating to primary processing		
b) Cost relating to secondary & other processing		
Total outlay		

8. Means of finance:

Component	As per project report (₹)	As approved by FI (₹)
Promoter's contribution		
Term loan		
Total outlay		

9. Subsidy

a) Total eligible subsidy (₹) :

b) Eligible advance subsidy(₹) :

c) Subsidy from any other agency :

State Govt. :

Central Govt. (for other components, if any) :

10. Brief account of the infrastructure to be created under the project (description of components) :

a) Storage Infrastructure capacity :

	No. of chambers	Size (LxBxH in Meters)	Capacity (in MT)
i) New unit to be created			
ii) Existing unit, if any			
iii) Renovation of storage infrastructure (for Cooperatives only)			

b) Other Marketing Infrastructure :

11. a) Account No. and IFSC code of FI :
    b) AADHAR No. of Promoter :

12. Brief coverage on technical feasibility and financial viability (Enclose along with project report) :

13. Other relevant information including as to whether the storage infrastructure would be for self use/to be leased out to private or Govt. agencies/to store farmers produce on rent and commodity to be stored :

14. Other relevant information:

15. The project has been appraised and found to be technically feasible and financially viable.

16. We note that the repayment schedule cannot be altered. We also note that a time limit of 18/24 months is stipulated for completion of the project and submission of relevant documents from the date of disbursement of first installment of loan. Further, if the completion of the project is delayed, a maximum extended period of 6 months with reduction in rate of subsidy @ 1% for delay of each month or part thereof may be allowed for completion of project and submission of relevant documents. We also note that the advance subsidy has to be refunded forthwith if the project is not completed and the relevant documents are not submitted within the above stipulated period and as per the broad parameters of the sub scheme. It is further noted that in case of any delay in refund of subsidy, the Financial Institution will be liable for payment of penal interest. If subsidy is not refunded within 90 days of intimation, penal interest shall be charged @ bank rate + 1% from the Financial Institution and not from promoter.

17. It is also certified that no subsidy has been or will be availed for the project from any other Central Government Department/Agency including subsidy under RKVY.

18. Certified that the project has commenced only after sanction of term loan to the promoter.

19. Financial Institution will monitor the progress of the execution of the project to ensure that the project is completed as per the technical specifications envisaged in the guidelines of the sub-scheme and project proposal without any variation and within the stipulated time as per the broad parameters of the sub scheme.

20. Certified that the promoter has not availed or will avail maximum subsidy of ₹4 crores/₹5 crores in the same District (owned & leased land) permissible under sub scheme during XII Plan.

21 Certified that the Financial Institution will ensure that the promoter will not alienate the land and the project for a minimum period of term loan for any purpose other than the purpose for which the subsidy is extended.

22. An amount of ₹.................... (Rupees.....................................) being 50% of the eligible amount of subsidy may please be released in respect of the project for crediting to the "Subsidy Reserve Fund Account-Borrower wise". Financial Institution confirms that that the subsidy will be kept in SRF Account only and not in other accounts like Fixed Deposits, Saving account etc.

(________________________)
Seal and signature of the
Authorized Signatory of Financial Institution

Place:

Date:

Encl: as per Annexure X

CHECK LIST OF DOCUMENTS TO BE SUBMITTED ALONG WITH ADVANCE SUBSIDY CLAIM

Document No.	Particulars of document	Remarks (Y/N)
A - 1	Forwarding letter of Controlling/nodal Office of the financing branch. The advance subsidy claim application of financing branch should be routed through the Controlling/nodal Office to NABARD clearly certifying that all documents as per this check list are enclosed. The complete address with telephone/fax numbers of the controlling/nodal office as well as the financing branch are required to be furnished. A copy of the claim form along with all documents should also be submitted to the Regional Office/Sub Office of the DMI.	
A - 2	Advance subsidy claim application as per format in Annexure-IX	
A - 3	Copy of detailed project report with item-wise details of costs, total outlay, loan and margin submitted by the promoter with a copy of the technical and financial appraisal report from the FI	
A - 4	Copy of the approved plan/map and civil drawings clearly indicating the dimensions and capacity of the infrastructure project.	
A - 5	Copy of the loan sanction letter of the FI along with copies of invoices for purchase of machinery/equipment of infrastructure project if any. Copy of Term Loan Account Statement of the borrower indicating all transactions including disbursement of first installment of loan	
A - 6	Copy of land documents where the project is going to be established.	
A - 7	FI's certificate on category of the Promoter. In case of SC/ST beneficaries and Cooperative, certification by the Competent Authority should be obtained.	
A - 8	Notorised Affidavit in Original executed by the promoter on a non-judicial stamp paper as per Annexure XIX.	
A - 9	Copy of registered partnership deed, if it is a partnership firm, Memorandum& Articles of Association and certificate of incorporation, in case of Company etc.	

INSTRUCTIONS FOR THE PROMOTER TO BE ANNEXED BY THE FINANCE INSTITUTION WITH LOAN SANCTION LETTER

1. Subsidy under the scheme is not guaranteed and is not a matter of right of the promoter. It is subject to availability of funds and compliance to scheme guidelines as may be interpreted and altered by Government of India with/without notice.
2. The project should be commenced only after term loan is sanctioned for the project proposal by the FI/NCDC and in case of own funded state agency projects, only after approval of the project proposal by Sanctioning Committee of DAC is received.
3. Project should be executed as per the technical specifications as specified in guidelines and as per physical & financial parameters submitted in the project proposal. If there is any variation, subsidy would be restricted to the original proposal or actual whichever is lower.
4. Project should be executed as per the special conditions envisaged in the guidelines without any variation.
5. The promoter will not alienate the land and the project during the period of the term loan for any purpose other than the purpose for which the subsidy is extended.
6. No subsidy shall be availed for the project proposal submitted under AMI from any other Central Government scheme including Rashtriya Krishi Vikas Yojana (RKVY).
7. The promoter will be liable to refund the subsidy of the project or its component that is dropped/scrapped or if any change is made in any of the components of the project sanctioned.
8. The promoter shall take prior approval of NABARD in case of takeover of loan account (with SRFA) by another FI (without altering the repayment schedule) is intended.
9. A prominent signboard at the site stating "Assisted under sub scheme Agricultural Marketing Infrastructure of Integrated Scheme for Agricultural Marketing of Ministry of Agriculture, Government of India" in local language/English will be exhibited.
10. Government's interpretations of various terms of guidelines will be final. Government reserves the right to modify, add and delete any term and condition and restrict/stipulate any provision without assigning any reason therefore.

11. Promoter is hereby being informed that random check inspection of the project may be conducted within 5 years from the date of disbursement of first installment of loan, to ensure that the project is being used for the intended purpose. In case of non compliance, needful action including recall of subsidy may be taken.

12. If the project cost is up to ₹ 500.00 lakhs, a time limit of 18 months is prescribed for completion of the project from the date of disbursement of the first installment of loan by the Financial Institution. If reasons for delay are justified, a further extended period of 6 months with deduction of rate of subsidy @1% per month or part thereof is allowed. The project will not be eligible for subsidy if the project is not completed and document submitted within 24 months from the date of disbursement of first installment of loan and advance subsidy received will be refunded forthwith.

13. If the project cost is more than ₹500.00 lakhs, a time limit of 24 months is prescribed for completion of the project from the date of disbursement of the first installment of loan by the Financial Institution. If reasons for delay are justified, a further extended period of 6 months with deduction of rate of subsidy @1% per month or part thereof is allowed. The project will not be eligible for subsidy if the project is not completed and document submitted within 30 months from the date of disbursement of first installment of loan and advance subsidy received will be refunded forthwith.

14. It will be the responsibility of the promoter to comply with all the applicable laws, obtain requisite approvals from the concerned authorities to build and operate the projects as well as to insure the project. DAC, DMI, NABARD or NCDC will not be responsible for any such violation by the promoter. In case of non compliance of all the requisite approval/permission, the subsidy will have to be refunded.

15. **For Storage infrastructure** : For storage infrastructure projects the following are required and non compliance to it may render the storage infrastructure ineligible to receive subsidy under the scheme:

    a) The project built under the sub scheme shall be structurally sound on account of engineering considerations and functionally suitable to store the agricultural produce as per Central Warehousing Corporation (CWC) or Food Corporation of India (FCI) or any other standard specifications laid down in this behalf may be adopted.

b) Shall be properly ventilated, shall have well fitted shutters, air inlets and ventilators and shall be waterproof (control of moisture from floor, walls and roof etc.).

c) Shall have a minimum plinth height of 2.5 feet and minimum plinth projection of 1.5 feet all around the storage infrastructure for protection from rodents. However, for smaller storage infrastructure up to 500 MT plinth height should be a minimum of 1.5 feet and minimum plinth projection of 1.5 feet at the entry points for protection from rodents.

d) Shall have protection from birds (air inlets/ventilators with wire mesh).

e) The openings such as shutters, air inlets etc. shall be designed in such a manner that the storage infrastructure can be sealed for effective fumigation etc.

f) The Storage infrastructure complex shall have an easy approach road, pucca internal roads, proper drainage, arrangements for effective control against fire and theft and also have arrangements for easy loading and unloading of stocks.

g) Only removable steps are to be provided.

DOCUMENTS TO BE SUBMITTED TO NABARD FOR TAKING UP JOINT INSPECTION

Document No.	Particulars	Remarks (Y/N)
JM -1	Duly filled in final subsidy claim form in Annexure XIII	
JM-2	FI's specific request for taking up Joint Inspection of the project interalia certifying that: 1. The project has been completed in all respects within the stipulated time period. Advance subsidy of ₹ lakh has been received and kept in Subsidy Reserve Fund A/c of the borrower/Promoter on which no interest is charged. 2. A Sign Board has been exhibited at the project site indicating that the project has been 'Assisted under sub scheme Agricultural Marketing Infrastructure of Integrated Scheme for Agricultural Marketing (ISAM) of Ministry of Agriculture, Government of India'. 3. Certificate by the FI that all original bills, vouchers etc. are preserved for any verification in future.	
JM-3	Completion certificate by approved engineer/registered architect. It should be signed by the promoter and countersigned by Branch Manager of FI.	
JM-4	In case of storage infrastructure: Certificate issued by the approved engineer/registered architect that the project has been completed as per the technical specifications specified in guidelines.	
JM-5	Certificate by Chartered Accountant indicating item-wise actual expenditure countersigned by Branch Manager of FI.	

FORMAT FOR CLAIMING FINAL SUBSIDY

(To be Submitted by Financial Institution to NABARD and DMI)

To,

(1) Regional Office, NABARD

(2) Regional Sub-office, Directorate of Marketing & Inspection (nearest as per addresses enclosed)

Agricultural Marketing Infrastructure
Sub scheme of Integrated Scheme for Agricultural Marketing

1. (i) Name, full address/location of project with telephone number and email ID including Tehsil/Taluka/District :

   (ii) Whether located in North East Region/ States of Uttarakhand, Himachal Pradesh, Jammu & Kashmir, Andaman & Nicobar Islands & Lakshadweep Island/ Hilly Areas/Tribal Areas :

2. (i) Name and full address of promoter with telephone number and email ID including Tehsil/Taluka/District :

   ii) Category specify :

   a) Whether belongs to Registered FPOs/Women/SC/ST/ their Co-operatives :

   b) Individual :

   c) Company/Corporation :

   d) State agency :

   e) Others

3. Rate of entitlement of subsidy for projects (25%/33.33%) :

4. Name and address of financing Financial Institution with telephone number and email ID :

   a) Account No. and IFSC code of FI :

   b) AADHAR no of Promoter :

5. Date of sanction of term loan by Financial Institution :

(a) Amount of loan sanctioned :

(b) Date of disbursement of first instalment :

(c) Date of disbursement of the last instalment :

(e) Total Loan amount disbursed :
(enclose the loan account statement showing details of amount released)

6. Date of completion of the project :

a) Date of submission of Completion certificate :

b) Date of submission of item wise actual expenditure certificate :

Date of completion (last of a & b) :

7. Date of last inspection of project by Financial Institution :

8. Item wise cost of project

Component	As per project report (₹)	As approved by FI (₹)	Actual expenditure incurred (₹)
i) Marketing Infrastructure/Storage Infrastructure			
ii) Allied facilities/infrastructure/Plant & Machinery			
a)			
b)			
iii) Cost of civil structure			
iv) Cost for processing			
a) Cost relating to primary processing			
b) Cost relating to secondary & other processing			
Total outlay			

9. Means of finance:

Component	As per project report (₹)	As approved by FI (₹)
Promoter's contribution		
Term loan		
Total outlay		

10. Brief account of the infrastructure created under the project (description of components) :

a) Storage Infrastructure capacity created :

	No. of chambers	Size (LxBxH in Meters)	Capacity (in MT)
i) New unit to be created			
ii) Existing unit, if any			
iii) Renovation of storage infrastructure (for Cooperatives only)			

b) Other Marketing Infrastructure :

11. Total entitlement of the Subsidy :

12. Advance subsidy
i) Date of receipt :
ii) Amount :

13. Subsidy from any other agency :
State Govt.:
Central Govt. (for other components, if any). :

14. Balance subsidy to be released :

15. Certified that the Infrastructure facility created is as per the technical specifications envisaged in the guidelines of the sub-scheme and the project proposal.

16. Certified that all the special conditions for storage infrastructure have been followed.

17. Certified that various permissions/approvals have been obtained by the promoters for establishment and commissioning of the project from various government authorities. FI has ensured that the project has all requisite permissions/approvals.

18. It is certified that no subsidy has been or will be availed for the project from any other Central Government department/agency including subsidy under RKVY.

19. Certified that the promoter has not availed or will avail maximum subsidy of ₹4 crores/₹5 crores in the same District (owned & leased land) permissible under sub scheme during XII Plan.

20. Certified that the Financial Institution will ensure that the promoter will not alienate the land and the project for a minimum period of term loan for any purpose other than the purpose for which the subsidy is extended.

21. Since the above project is complete as per terms & conditions stipulated under the sub scheme, an amount of ₹ ______________(Rupees________________________________) being the final installment of subsidy may please be released for crediting to the Subsidy Reserve Fund Account Borrower wise.

22. It is certified that the observation(s) made by the Joint Inspection Committee if any, will be complied within 60 days of joint inspection.

[______________________________]

Seal and Signature of the
Authorised Signatory of Financial Institution

Place:

Date:

Enclosures: Completion certificate, Item wise actual expenditure certificate, etc. as per the Annexure XII.

PROFORMA FOR JOINT INSPECTION REPORT OF AGRICULTURAL MARKETING INFRASTRUCTURE SUB-SCHEME OF ISAM

Date of Inspection:

1. Members of Joint Inspection Committee:

Organization	Name of the Officer	Designation	Address
NABARD			
FI			
DMI			

2. i) Name and address of project with telephone No. (including Village, Tehsil/Taluka/District) :

   ii) Name & Address of the Promoter with telephone No. and Email ID :

   iii) Whether located in North East Region/States of Uttarakhand, Himachal Pradesh, Jammu & Kashmir Andaman & Nicobar Islands and Lakshadweep Island/Hilly Areas/Tribal Areas :

   iv) Category specify :

      a) Whether belongs to Registered FPOs/Women/SC/ST/ their Co-operatives :

      b) Individual :

      c) Company/Corporation :

      d) State agency :

      e) Others :

3. Whether proprietorship/partnership :
4. Rate of Entitlement of subsidy (25% or 33.33%) :
5. Name and Address of the FI with telephone No. and Email ID :
6. Details of loan sanctioned: :

   i. Date of receipt of proposal/application to the FI :

   ii. Date of sanction of loan :

   iii. Amount of loan sanctioned :

   iv. Date & Amount of disbursement of first installment :

v. Date & Amount of disbursement of last installment :

vi. Total loan amount disbursed

vii. Date of commencement of project :

viii. Date of Completion of Project & submission of documents :

ix. Whether completed & documents submitted in time :

If not, subsidy calculation based on date of completion & submission of documents

a) Prescribed date of completion & submission of documents :

b) Actual date of completion & submission :

c) Time period of delay (b-a) :

d) Applicable deduction of subsidy _____________% & Amount:______________

e) Final applicable subsidy ___________________% & Amount:_______________

x. Date of intimation of completion & submission of documents of project for joint inspection to NABARD and DMI :

7. Details of sanctioned Project :

i) Details of infrastructure created (in brief) :

ii) Total Project cost :

iii) Item-wise cost of project :

Component	As per project report (₹)	As approved by FI (₹)	Actual expenditure incurred (₹)	Expenditure verified by the JIC (₹)
i) Marketing Infrastructure/Storage Infrastructure				
ii) Allied facilities/infrastructure/Plant & Machinery				
a)				
b)				
iii) Cost of civil structure				
iv) Cost for processing				
a) Cost relating to primary processing				
b) Cost relating to secondary & other processing				
Total outlay				

iv) Project Cost for processing :

a) Cost relating to primary processing :

b) Cost relating to secondary & other processing :

8. Storage Infrastructure capacity :

	No. of chambers	Size (LxBxH in Meters)	Capacity (in MT)
i) New unit to be created			
ii) Existing unit, if any			
iii) Renovation of storage infrastructure of Cooperatives			

9. Means of finance :

Component	As per project report (₹)	As approved by FI (₹)	Actual expenditure incurred (₹)	Expenditure verified by the JIC (₹)
Promoter's contribution				
Term Loan				
Total				

10. Whether project implemented as per approval (specifications etc.) :

If not, specify the deviations :

11. Total entitlement of Subsidy

a) Eligible project cost for calculation of subsidy :

b) Capacity in MT (to be filled in case of storage project) :

c) Final subsidy recommended :

12. Date and Amount of Advance subsidy received :

13. Subsidy from any other agency :

a) State Govt. :

b) Central Govt. (for other components, if any) :

14 Balance subsidy to be released :

15. Any other observations/deficiencies :

16. Recommendations of the Joint Inspection Committee :

Signature & date	Signature & date	Signature & date
NABARD	**Financial Institution**	**DMI**

FORMAT FOR UTILIZATION CERTIFICATE

(For the use of FI to be submitted to the Regional Office of Nabard)

Agricultural Marketing Infrastructure
Sub scheme of Integrated Scheme for Agricultural Marketing

1. Name, Project Code No., address and location of the promoter and project:
2. Name of the Financial Institution:
3. Name & Address of the financing branch :
4. Branch IFSC Code:
5. Date of sanction of loan by Financial Institution:
6. Date of inspection by Joint Inspection Committee:
7. Date of completion of the project:
8. (i) Total financial outlay ₹
   (ii) Promoter's contribution ₹
   (iii) Loan ₹

(iv)	Subsidy received	Date of receipt From NABARD	Amount (₹)	Date of credit to the Subsidy Reserve Fund A/c No. of the Borrower
a)	Advance Subsidy			
b)	Final subsidy			

9. Brief description of infrastructure created with capacity etc.
10. This is to certify that the full amount of subsidy received in respect of the above project has been fully utilized (by way of crediting to the Subsidy Reserve Fund Account-borrower-wise) to be adjusted in the books of account under the sanctioned terms and conditions of the project within the overall guidelines of the sub scheme after the lock-in period of 5 years.

Place
Date

Seal & Signature of the
Authorised Signatory of Financial Institution

FORMAT FOR CLAIMING FIRST INSTALLMENT OF SUBSIDY FOR OWN FUNDED STATE AGENCY PROJECTS

(To be submitted by the State Agency to DMI, H.O. Faridabad after sanctioning of the Project by the Sanctioning Committee of D.M.I./D.A.C.)

To
The Agricultural Marketing Adviser to the Govt. of India,
Directorate of Marketing & Inspection
Head Office, N.H.IV
Faridabad-121001.

Agricultural Marketing Infrastructure
Sub scheme of Integrated Scheme for Agricultural Marketing

1.	Name & address of the State agency	
2	Name & address of the project	
3	Whether located in North Eastern Region/States of Uttarakhand, Himachal Pradesh, Jammu & Kashmir Andaman & Nicobar Islands & Lakshadweep Island/Hilly Areas/ Tribal Areas	
4	Name & address of the controlling authority	
5	Date of submission of proposal/application to DMI	
6	Total project cost as submitted by the State agency (₹ in lakh)	
7	Amount of State agency contribution for the project (₹ in lakh)	
8	Rate of entitlement of Subsidy 25% or 33.33%	
9	Brief coverage on Technical feasibility (enclosure)	
10	Other information on whether various permission/approval obtained by the State agency for establishment and commissioning of the project from various Govt. authorities	
11	Brief account on the infrastructure of the project to be created (enclosure)	
12	An amount of ₹ …………….. (Rupees ……………………….) being the 50% of the eligible amount of subsidy may please be released in respect of the project	

Sl. No.	Item	Cost	Subsidy

Place:
Date:

Signature:
Name:
Address:

Enclosures: As above.

FORMAT FOR CLAIMING FINAL SUBSIDY FOR OWN FUNDED STATE AGENCY PROJECTS

(To be submitted by the State Agency to DMI, H.O. Faridabad)

To
The Agricultural Marketing Adviser to the Govt. of India,
Directorate of Marketing & Inspection,
Head Office, N.H.IV,
Faridabad-121001.

Agricultural Marketing Infrastructure
Sub scheme of Integrated Scheme for Agricultural Marketing

1.	Name & Address of the State Agency	:
2.	Name & Address of the project	:
3.	Name & Address of the controlling authority	:
4.	Date of sanction of project by the Sanctioning Committee	:
5.	Total cost of the project as approved by the Sanctioning Committee (Component-wise)	₹
6.	Rate of entitlement of Subsidy 25% or 33.33%	
7.	State Agency contribution	₹
8.	Total eligible subsidy as approved by the Sanctioning Committee	₹
9.	Amount of first installment of subsidy and date of receipt	₹
10.	Brief account of the item-wise progress of works undertaken so far under the project (duly certified by a Competent Engineer of the State Agency or that of State Government)	:

11. Total amount of expenditure incurred so far in the project–Component-wise details, duly certified by a Chartered Accountant ₹

12. Amount of final subsidy claimed (₹)

Sl. No.	Item	Cost as per Proposal	Cost appraised by Appraisal Agency	Cost Sanctioned by Sanctioning Committee	Actual Expenditure	Eligible Subsidy	Advance Subsidy Received	Balance Final Subsidy

13. Certified that above project is nearing completion as per terms, conditions stipulated under the sub scheme and we have fully utilized both our contribution for the project as well as advance subsidy received and that the project requires only an amount equivalent to the second installment of subsidy from the Central Government for its completion. Utilization Certificate for the first installment of subsidy is enclosed as per prescribed format GFR 19-A.

14. It is requested that an amount of ₹________________(Rupees______________) being the second installment of subsidy may please be released for completing the project. The Utilization Certificate for second installment of subsidy will be submitted immediately after completion of the project as per time period prescribed under the sub scheme.

15. It is certified that no subsidy has been availed or will be availed for the project from any other Central Government Department/Agency including RKVY.

Place: Signature:

Date: Name:

Address:

Enclosures: As above.

PROFORMA FOR INSPECTION OF OWN FUNDED STATE AGENCY PROJECTS

Agricultural Marketing Infrastructure
Sub scheme of Integrated Scheme for Agricultural Marketing

1. Members of Joint Inspection Committee: Date of Inspection:

Organization	Name of the Officer	Designation	Address
DMI			
Agency which appraised the project			
State Agri. Marketing Board/State Agency			

1.	Name & Address of the State agency	
2.	Name & Address of the State agency project	
3.	Whether located in North East Region/ States of Uttarakhand, Himachal Pradesh, Jammu & Kashmir Andaman & Nicobar Islands and Lakshadweep Island/Hilly Areas/Tribal Areas	
4.	Name & Address of Controlling authority of the State agency	
5.	Date of Sanction of the project by the Sanctioning Committee	
6.	Total cost of project as approved by Sanctioning Committee (₹ in lakhs)	
7.	Amount of State Agency contribution (₹ in lakhs)	
8.	Rate of entitlement of Subsidy 25% or 33.33%	
9.	Total eligible subsidy approved by the Sanctioning Committee (₹ in lakhs)	
10.	Date & Amount of release of first installment of subsidy by DMI	
11.	Date of Commencement of Project	
12.	Brief account of the item-wise progress of the works undertaken so far under the project by indicating following points (Duly certified by a competent Engineer of the State agency or that of State Govt.) (enclosure). i) Project Item (Component): ii) Cost iii) Extent up to which completed: iv) Reasons for pending works (if any): v) Whether Construction is as per specifications envisaged in the guidelines and approved project report	

13.	Total amount of expenditure incurred so far in the project item-wise details, duly certified by the CA by indicating following points (enclosure) Project Item (Component) Expenditure Incurred	
14.	Balance subsidy to be released	
15.	Observations/Recommendations (The Inspecting Officers should specify about dropping of component during construction and change of TFO, if any)	

Sl. No.	Item	Cost as per proposal	Cost appraised by Appraisal Agency	Cost Sanctioned by Sanctioning Committee	Actual Expenditure	Eligible Subsidy	Advance Subsidy Received	Balance final Subsidy

Signature & date
DMI

Signature & date
Appraisal agency

Signature & date
State Agency

AFFIDAVIT
On non-Judicial Stamp Paper of ₹ 100/-

I/we……………..S/o…………………Resident of………………………………………………

director/proprietor of M/s ………………………. do here by solemnly affirms and state that:

1. I/we have not availed or will avail grant/subsidy for the project proposal submitted under sub scheme Agricultural Marketing Infrastructure (AMI) of Integrated Scheme for Agricultural Marketing (ISAM) of Ministry of Agriculture from any other Central Government scheme including Rashtriya Krishi Vikas Yojana (RKVY).
2. I/we have not availed or will avail maximum subsidy ₹4 crores/₹5 crores in the same District permissible under sub scheme AMI during XII plan.
3. I/we will commence the project only after the project proposal is sanctioned by the Financial Institution/NCDC/Sanctioning Committee of DAC.
4. I/we will obtain all the requisite permissions/approvals from the concerned authorities to build and operate the project as per applicable laws.
5. I/we will not alienate the land and the project for a minimum period of term loan for any purpose other than the purpose for which the subsidy is extended.
6. I/we will be liable to refund the subsidy of the project or its component that is dropped/cancelled or if any change is made in any of the components of the project sanctioned.
7. I/we will submit all the requisite documents after completion within the stipulated time period and agree to the penalty for delay in submission as per the sub scheme AMI guidelines.
8. I/we will not close the loan account for a minimum period of 5 years from the date of disbursement of first installment of loan. In case of pre closure of loan account, I/we will forfeit the benefit of subsidy.

9. I/we agree that subsidy under the scheme is not guaranteed and is not a matter of right. I/we agree that subsidy is subject to availability of funds and compliance to scheme guidelines as may be interpreted and altered by GoI with/without notice.

I/we hereby solemnly affirm and state that I/we will be liable to forfeit/refund the subsidy for non compliance of above.

Deponent

Verification

Verified that the content of this affidavit are true and correct to the best of the knowledge and belief of the deponent and no part of this affidavit is kept concealed therein, If anything is found false in this Affidavit subsequently deponent will be liable jointly and severally for action under the laws, hence verified at _______________ (Place) on ______________________(Date).

Deponent

Notary Seal & Signature

A: PROGRESS OF SUB SCHEME AMI

Month:

Amount (₹ in lakhs)

Sl. No.	State	Category of projects	No. of Projects	Capacity (in MT)	TFO	Term loan	Promoter's contribution	Eligible Subsidy	Subsidy Released				Remarks
									Advance	Final	One time	Total	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1		Silos											
		Other Storage											
		Other Infra											
2		Silos											
		Other Storage											
		Other Infra											

	Status of Subsidy Release	Amount (₹ in Lakhs)
A	Opening balance of funds as on 01.4.20…. (Current year)	
B	Funds received from DAC during current year	
C	Total funds available as on …………… (A+B)	
D	Total subsidy released upto ………………….. (Current year - Total)	
	Of which, advance subsidy	
	Final subsidy	
	One time subsidy	
E	Balance of funds available upto the month ending ……………....(C-D)	

B: STATE-WISE PROGRESS OF SUB SCHEME AMI

Name of the State: **Month:**

Amount (₹ in lakhs)

Sl. No.	Category of project	Project Sanctioned during the Current Year upto the Month			Cumulative Projects Sanctioned upto the Month during XII Plan											
					Total No. of Projects Sanctioned	TFO	Total Eligible Subsidy	Projects Completed*				Projects to be completed				
		No. of Projects Sanctioned	TFO	Total Eligible Subsidy				No.	TFO	Subsidy Released		No.	TFO	Advance Subsidy Released	Subsidy to be Released	
										Advance	Final				Advance	Final
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Primary Processing and Value Addition Facility Cleaning, Grading, Storage and Packaging Unit															
2	Direct Marketing & E trading projects															
3	Pre-cooling/ Cold chain facility															
4	Common Facility in Market															
5	Mobile Infrastructure															
6	IVC															
7	Storage Infrastructure	Silos No: Capacity: (MT)			Silos No: Capacity: (MT)			Silos No: Capacity: (MT)				Silos No: Capacity: (MT)				
		Other No: Capacity: (MT)			Other No: Capacity: (MT)			Other No: Capacity: (MT)				Other No: Capacity: (MT)				
	Total:															

* Projects completed refer to projects where final subsidy is sanctioned or released.

C: PROFORMA FOR SUBMISSION OF LIST OF SANCTIONED PROJECTS UNDER THE SUB SCHEME AMI

State: ____________ Year: ____________

Sl. No.	Code No.	Name & Address of the promoter with Phone Number	Name of the project & Address (Location)	District	Constitution of firm (Individual/NGO/Co. etc.)	Male/Female/Other (Partnership firms, companies etc.	SC/ST/Other	NE/Hilly/Tribal/Other Area	Category of Project/Infra-structure	Type of Project/Infra-structure	Name & Address of FI	Date of receipt of the project by the FI	Date of sanction of term loan	Date of Disbursement of 1st Instalment of loan	TFO as appraised by FI
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1															
2															
3															

Amount of Loan	Promoters contribution	Date of submission of project Profile-cum-claim form for advance subsidy by FI to NABARD	Rate of Subsidy (25% or 33.33%)	Total eligible subsidy	Date of sanction of Advance subsidy	Date of release of Advance subsidy	Amount of release of Advance subsidy	Date of completion of Project	Date of Joint Inspection	Date of sanction of Final Subsidy	Date of release of Final Subsidy	Amount of release of Final Subsidy	Total Subsidy Released	In case of Storage Capacity (MT)	Remarks*
17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32

* Please furnish the other relevant information in remarks column.

D: PROFORMA FOR SUBMISSION OF QUARTERLY FINANCIAL PROGRESS REPORT UNDER THE SUB SCHEME AMI

Progress report at the end of the quarter ------------------------------------ Year ---------------------

(₹ in lakhs)

Implementing agency	Unspent balance of grants-in-aid as on 1st April of the current year	Grants-in-aid released so far during the current quarter	Funds utilized so far towards subsidy during the current quarter	Unspent balance of grants-in-aid available by the end of quarter	Anticipated demand for the next quarter	Remarks

CHAPTER 3

MARKETING RESEARCH AND INFORMATION NETWORK

3.1 INTRODUCTION

3.1.1 Market information is needed by farmers in planning production and marketing of their produce and equally needed by other market participants in arriving at optimal marketing decisions. The availability and dissemination of complete and accurate marketing information is key to achieve both operational and pricing efficiency in the marketing system. Advancement in Information and Communication Technology (ICT) has made the world a smaller place and a larger market at one go. To fully utilize the new emerging marketing opportunities for the benefit of farming community, establishment of an ICT based "Agricultural Marketing Information Network" in the country has become inevitable.

3.1.2 Ministry of Agriculture had launched the ICT based Central Sector Scheme of Agricultural Marketing Information Network (AGMARKNET), in March, 2000, to link important agricultural produce markets spread all over the country and the State Agriculture Marketing Boards and Directorates. The project is being executed with the technical support of National Informatics Centre (NIC). A total number of 3,549 computers were provided under the scheme to 3,241 agricultural produce markets (Annexure-I) up to March, 2013. Computers were also provided to State Agricultural

Marketing Boards/Directorates, etc. An application software package 'AGMARK', has been developed to facilitate organization and transmission of market data from the markets.

3.1.3 In order to strengthen interface with farmers and other beneficiaries, AGMARKNET portal (http://agmarknet.nic.in) has been developed. More than 2200 markets are regularly reporting price and arrivals related data which is being disseminated through the portal. The AGMARKNET portal also serves as a single window for accessing websites of various other organizations concerned with agricultural marketing. It provides weekly arrivals and price trend analysis for important markets in respect of major agricultural commodities transacted. It is also linked with Online Commodity Exchange of India Limited, providing futures prices in respect of oilseeds, crops, etc. International price trends of various agricultural commodities available on FAO website are also accessible through the portal. The portal is constantly being enriched.

3.1.4 During XI plan period 590 new market nodes were covered and replacements of computers for 574 old nodes were undertaken. Out of the existing 7,190 regulated markets in the country, 3,241 i.e. 45 % had on-line facility under the scheme till the end of XI Plan. During XII Plan, 3,700 new markets are proposed to be covered under the network using mobile and SMS technology in addition to computers.

3.2 OBJECTIVES

3.2.1 To establish a nation-wide information network for speedy collection and dissemination of market information and data for its efficient and timely utilization.

3.2.2 To facilitate collection and dissemination of information related to better price realization and market access by the farmers. This would cover:

i. Market related information such as market fee, market charges, costs, method of sale, payment, weighment, handling, market functionaries, development programmes, market laws, dispute settlement mechanism, composition of market committees, income and expenditure, etc.

ii. Price-related information such as minimum, maximum and modal prices of varieties and qualities transacted, total arrivals and dispatches with destination, marketing costs and margins, etc.

iii. Infrastructure related information comprising facilities and services available to the farmers with regard to storage and warehousing, cold storage, direct markets, grading, re-handling and repacking etc.

iv. Market requirement related information covering accepted standards and grades, labeling, sanitary and phyto-sanitary requirements, pledge finance, marketing credit and new opportunities available in respect of better marketing.

3.2.3 To sensitize and orient farmers to respond to new challenges in agricultural marketing by using ICT as a vehicle of extension.

3.2.4 To improve efficiency in agricultural marketing through regular training and extension for reaching region-specific farmers in their own language.

3.2.5 To provide assistance for marketing research to generate marketing information for its dissemination to farmers and other marketing functionaries at grass-root level to create an ambience of good marketing practices in the country.

3.2.6 The information relating to the schemes in respect of agricultural marketing implemented by Government Departments and central agencies viz. Commerce, Food and Public Distribution, Consumer Affairs, Health and CCI, JCI, NCDC, NAFED, NTGF, TRIFED, NCCF, NDDB, NHB, APEDA, MPEDA will also be disseminated in user friendly manner. Once the farm produce is standardized and labelled, backed by quality certification, it can be directly offered for sale on Spot Exchange websites in national and international markets.

3.3 IMPLEMENTATION PLAN

3.3.1 The agencies involved in execution of the sub scheme are Directorate of Marketing and Inspection (DMI), National Informatics Centre (NIC), State Governments through State Agriculture Marketing Boards (SAMBs)/Directorates, other National and State level institutions and individual market committees/authorities wherever applicable in the country.

3.3.2 Efforts will be made to involve private sector in collection of data and maintenance of the data base. PPP options will be explored to bring expertise and value addition to this activity.

3.3.3 Overall Plan for connectivity: Supply of Computers and other peripherals as well as installation will be implemented through the vendors empaneled by IT Division of DAC and/or, other sources such as NIC, APMC, State Departments/Agencies in concerned market nodes. The concerned market nodes will arrange internet connectivity through local internet service provider.

3.3.4 It is also proposed to provide IT instruments such as mobile handsets etc. to the market nodes at principal market yard and sub-market yard level through the State Implementing Agencies/other Implementing Agencies.

3.3.5 NIC's role: NIC will develop required software applications, train market personnel in handling computer hardware and software, update the software package from time to time and develop and commission State level portals wherever requested. NIC will also arrange to harmonize/integrate software packages used by the State Implementing Agencies and or any other Private Agency on their behalf for reporting data to the AGMARKNET Portal. It will continue to manage AGMARKNET portal and facilitate in updating of market information by the market nodes to the portal. Management of AGMARKNET/State level portals could be outsourced wherever considered necessary by respective competent authorities. For development of software applications, other than NIC, it could also be out sourced to private agencies, if and when required.

3.3.6 To improve the quality of data reporting on the portal, at DMI Headquarters, the AGMARKNET team will be strengthened from time to time by outsourcing professionals to monitor and constantly update the portal, in accordance with GFR provisions and with the prior approval of IFD.

3.3.7 The State Implementing Agencies will provide to DMI the list of remaining markets to be covered for connectivity and replacement of old computers under the sub scheme. The State Implementing Agencies must ensure site readiness for successful installation and operation of the node which shall be verified and certified by concerned DMI Office. In case of those markets, where installing computers may be difficult, IT instruments such as mobile handsets or other instruments to harness mobile and sms/GPRS/2G/3G technology may be provided.

3.3.8 Besides the existing system of reporting market information through use of computers in principal market yards, mobile/IT instruments based data reporting system will be introduced for both principal market yards and sub-market yards so as to facilitate collection of market information at grass root level at faster pace. For this, necessary APPS for such IT instruments like mobile handset etc. will be developed through NIC or through outsourcing.

3.3.9 Market node will collect and transmit relevant information to the State level and AGMARKNET portal. NIC/IT instrument Vendors would train 2 persons from each node in operating computer/mobile device and handling software package/APPS. The SAMB/Department will nominate a nodal officer to coordinate functioning of the nodes. The State level Nodal Officer will ensure that market level officials perform their functions regularly to keep the nodes operational.

3.3.10 The Data Reporting officials at the nodes and State level Nodal Officer will be incentivised for providing regular market data.

3.3.11 The instrument/device will be used for data uploading and any other official purpose only and will be kept under the safe custody of the marketing personnel assigned the responsibility, who will be accountable for breakage/damage or any sort of mal functioning due to mishandling. In normal course, computers and mobile handset devices will be replaced on the recommendation of the Sanctioning Committee, in five years in the case of computers and in three years in the case of mobile handsets.

3.3.12 A new version of GIS based Atlas will be expedited by NIC for content enrichment and the system will be put in place for regular data updating to make the portal more user friendly.

3.3.13 Electronic Display Boards/Price Ticker will be provided at every networked market for display of minimum and maximum price of important commodities including their arrivals. These efforts would be dovetailed, as far as possible, with the action being taken by the Forward Markets Commission under the sub scheme of the Department of Economic Affairs, state Agriculture Marketing boards or any other schemes of central/ state governments including RKVY etc.

3.3.14 Strategic alliances will be developed with corporate, telecom players and private users for strengthening marketing intelligence services through sharing of AGMARKNET data and their dissemination to the farmers through SMS/Voice mail/apps through mobile Phones etc. Data collected may be shared with these agencies free of cost.

3.3.15 Facility will be developed on the portal for farmers to register for getting daily information on prices in nearby markets of their choice. Also sms based query module will be provided where an SMS can get the prices on a particular day in a particular market.

3.4 ASSISTANCE UNDER MRIN

The State Agricultural Marketing Boards/Directorates/NIC will be provided funds under the sub scheme from Grant-in Aid.

3.4.1 Supply of Computers and other peripherals (Annexure-II) as well as installation will be implemented through the vendors empaneled by IT Division of DAC, or/ and other sources such as NIC/APMC, State Departments/Agencies in concerned market nodes as per the pricing norms stipulated by the IT Division of DAC/NIC or at DGS&D rates.

3.4.2 Supply/procurement of Electronic instruments such as Mobile handset of particular specification and required software to all selected markets will be carried out as per the decision of the sanctioning committee and in conformity with GFR norms.

3.4.3. Training of market personnel in handling of hardware and software and refresher training will be undertaken by NIC/any other service providers. The cost towards training will be reimbursed to NIC/any other service providers. Supplementary training needs for technical aspects of data collection will be addressed by NIAM.

3.4.4 Monetary Incentive to encourage the marketing personnel for uploading data on the portal for more than 20 days in a month will be paid @₹1000/- (Rupees one thousand only) per month and incentive @₹1000/- per month will also be provided to the State level monitoring officials.

3.4.5 Incentives for data reporting will also be applicable for the mobile based reporting at the same rate of ₹1000 per month for more than 20 days in a month.

3.4.6 Nodes reporting data for more than 20 days in a month will be ascertained from the website's Performance Monitoring System and on certification by NIC. Incentives would be released on Quarterly basis.

3.4.7 **Assistance for Market-led Extension and Research**

Assistance under MRIN will be provided to State Agricultural Marketing Boards/Directorates and Market Committees and National and State level institutions/SAU/Other Institutes for:

3.4.7.1 Publications of state level as well as market level publications in Hindi, English and local languages for dissemination of agri-market related information to the farmers, State level nodal agencies as well as market committees/authorities.

3.4.7.2 Preparation of material with regard to accepted standards of grading, packaging and quality certification, sanitary and phyto-sanitary aspects, Good Agricultural practices, success stories in contract farming, group marketing, Good Marketing Practices in regulated markets, farmers' duties, responsibilities and rights in regulated markets and other marketing related issues.

3.4.7.3 Preparation of national level atlas, commodity profiles, CDs in Hindi, English and regional languages to facilitate market led extension. Atlas would provide information in respect of the commodity with regard to major areas of production, movement and storage and of market and consuming centres etc. It would also facilitate public and private sector in planning and development of appropriate marketing strategy in agricultural sector.

3.4.7.4 Preparation of training and educational modules in the areas of market driven production, marketing finance, post-harvest management, information on facilities for quality assurance and standards, grading, packaging, storage, transportation, contract farming, direct marketing, alternative markets including forward and future markets, commodity exchanges, online market information system etc. for reaching the target farmers and marketing functionaries in Hindi, English and vernacular languages.

3.4.7.5 Undertaking marketing research studies/other useful studies and training programmes directly beneficial to the farmers through outsourcing to professional/experts on agri marketing related issues.

3.4.7.6 Conducting farmer's awareness programmes at market/village level to disseminate market related information from the website as well as on good agri marketing practices to farmers and other market functionaries in local languages.

3.4.7.7 The assistance provided under MRIN will be approved by the Sanctioning Committee. For extension activities norms of Extension Division of DAC will be adopted. For research publications, the assistance may be provided on shared basis along with sponsoring organisation.

3.5 PROCEDURE FOR SANCTION OF ASSISTANCE UNDER THE SUB SCHEME

3.5.1 The State Agricultural Marketing Boards/Directorates/other institutes will identify the markets to be covered under the information network in order of priority and forward the same to the DMI Head Office for sanction. The State Agricultural Marketing Boards/ Directorates/State Level Institutions will route the proposals related to preparation of CDs, Atlas, marketing research and information generation as well as dissemination and any other awareness or publicity activities to educate farmers through State level Regional Offices of the DMI for release of funds to undertake the same. National level institutions can directly submit the proposals to DMI, Head Office for sanction of assistance. Priority in the sanction will be given to the States which take active interest in the implementation of the sub scheme. The Regional and State Level Offices of the DMI, NIC, State Agricultural Marketing Boards/Directorates and Market Committees/ Authorities will work in close collaboration for implementing the sub scheme.

3.5.2 A Committee headed by JS(M) & AMA or officer nominated by him, may consider proposals so received for sanction of necessary funds for supply of hardware/software/ incentives as well as for market-led extension/research/other activities described above.

3.5.3 Undertaking to be furnished by the Implementing Agency

The Implementing Agency has to furnish an undertaking to maintain and operate on an on-going basis the system i.e. the IT instrument/Mobile handset/computer, State level portals, the markets nodes covered under MRIN, to regularly upload market related information on the website and to disseminate the information available on the portal to farmers for improved marketing. Implementing agency will provide an undertaking to this effect as per the proforma at Annexure- III.

3.6 MONITORING AND EVALUATION

3.6.1 The implementing agencies in the States would monitor the progress of MRIN every month by constituting a State Level Committee of officers comprising DMI, NIC and State Nodal Agency and send the progress/minutes of the meeting to DMI Head Office. Evaluation of the sub scheme would be taken up by selected agency in the terminal year of the plan.

3.6.2 Contact Offices

The list of contact offices of Directorate of Marketing and Inspection is provided at Annexure IV.

3.7 FINANCIAL OUTLAY

An amount of ₹12.00 crore has been approved for the implementation of the sub scheme during the XII Plan, subject to availability of funds, as per following details:

(₹ in crores)

Sl. No.	Item/activity	2012-13	2013-14	2014-15	2015-16	2016-17	Total
i)	Grant-in-Aid	0.94	2.25	2.25	2.54	2.62	10.60
ii)	Professional services	0.11	0.07	0.05	0.10	0.08	0.41
iii)	Adv. and Publicity	–	0.02	0.03	0.06	0.03	0.14
iv)	Office Expenses	0.09	0.07	0.08	0.12	0.11	0.47
v)	Domestic Travel Expenses	0.02	0.03	0.03	0.05	0.05	0.18
vi)	Foreign Travel Expenses	–	0.06	0.06	0.05	0.03	0.20
	Grand Total	**1.16**	**2.50**	**2.50**	**2.92**	**2.92**	**12.00**

DISTRIBUTION OF MARKETS COVERED UNDER AGMARKNET AS ON DATE

Sl. No.	Name of the State/UT	Computer Provided	Market Nodes	Installation of Computer	No. of Markets Reporting	Market Profiles Available (Nos.)
1	Andaman and Nicobar	1	0	1	0	0
2	Andhra Pradesh	398	354	398	301	166
3	Arunachal Pradesh	16	15	16	2	6
4	Assam	26	23	26	20	22
5	Bihar	60	58	60	1	58
6	Chandigarh	2	1	2	1	1
7	Chhattisgarh	188	184	188	181	51
8	Dadra and Nagar Haveli	2	1	2	0	0
9	Daman and Diu	3	2	3	0	0
10	Goa	13	10	13	3	6
11	Gujarat	324	319	324	154	108
12	Haryana	152	150	152	90	60
13	Himachal Pradesh	43	41	43	33	31
14	Jammu and Kashmir	49	35	49	10	3
15	Jharkhand	30	26	30	23	26
16	Karnataka	224	192	224	140	142
17	Kerala	95	92	95	77	11
18	Lakshadweep	1	0	1	0	1
19	Madhya Pradesh	356	267	356	161	185
20	Maharashtra	368	361	368	245	227
21	Manipur	6	5	6	4	1
22	Meghalaya	22	20	22	3	1
23	Mizoram	12	9	12	1	0
24	Nagaland	23	22	23	7	6

Sl. No.	Name of the State/UT	Computer Provided	Market Nodes	Installation of Computer	No. of Markets Reporting	Market Profiles Available (Nos.)
25	NCT of Delhi	13	9	13	6	9
26	Odisha	117	106	117	91	66
27	Puducherry	5	4	5	2	2
28	Punjab	203	199	203	181	163
29	Rajasthan	175	166	175	149	82
30	Sikkim	8	7	8	0	0
31	Tamil Nadu	212	184	212	172	170
32	Tripura	22	21	22	11	0
33	Uttar Pradesh	265	257	265	111	94
34	Uttarakhand	26	25	26	19	18
35	West Bengal	79	76	79	33	1
36	DMI Head Office	10	0	10	0	0
Total	**All India**	**3549**	**3241**	**3549**	**2232**	**1717**

HARDWARE AND SOFTWARE TOOLS SUPPLIED TO AGMARKNET NODES

Each AGMARKNET node has been equipped with the following hardware and system software tools:

Hard wares for Principal Market Yards

1. Client Computer System
2. Printer supporting Hindi, English and a local language
3. Line interactive UPS system with battery back up
4. Modem to enable dial up based communication

Software

1. Windows 7 operating system or higher
2. Microsoft Office/Open Office/Excel
3. AGMARK Application Package

OR

IT instruments such as Mobile Handset etc., for Sub Market Yards/other Market Yards AGMARK APP for reporting of market data.

FORMAT FOR UNDERTAKING TO BE FURNISHED BY THE IMPLEMENTING AGENCY

The Implementing Agency ……………. does hereby undertake that it will:

1. Ensure maintenance of the system/mobile provided under the sub scheme so that the Marketing Information Network will remain operational on a sustainable basis.
2. Provide requisite budgetary support for the maintenance of the system/IT instrument/ mobile etc. and sustainability of the project after the financial assistance given under the sub scheme ceases.
3. Provide requisite manpower for the smooth operation of the network.
4. Follow the operational guidelines issued by the Central Government in this connection from time to time.

Implementing Agency

CONTACT OFFICES OF DIRECTORATE OF MARKETING & INSPECTION WITH ADDRESSES

Name of Office	States/UTs
Deputy Agricultural Marketing Adviser, Directorate of Marketing & Inspection IInd Floor Kendriya Sadan, Block I, Sultan Bazar, Hyderabad-500095 Tel: 040-24657446/24731637, Tele Fax (D): 24731636 Email: dmiroap@nic.in	Andhra Pradesh
Asstt. Agricultural Marketing Adviser, Directorate of Marketing & Inspection Rukminigaon, Navratra Path, House No. 9, Ist Floor, P.O. Kharapard, Guwahati -781 022 Tel: 0361-2229272/0361-2229273, Email: dmias01@nic.in	Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura
Senior Marketing Officer Directorate of Marketing and Inspection Pant Bhawan (Ground and First Floor) Baily Road, Patna-800 001 (Bihar) Tel: 0612-2526691, Email: dmipatnasmo@gmail.com	Bihar
Senior Marketing Development Officer, Directorate of Marketing & Inspection, Main Terminal Market Yard, Pardra, Ranchi-834005, Ph. 0651-2512597, Email: dmi_ranchi@yahoo.in	Jharkhand
Deputy Agricultural Marketing Adviser, Directorate of Marketing & Inspection, General Pool Offices Building, 4th Floor, A-Wing, D F Block, Sector-1,Salt Lake, Kolkata-700064 Tel: 033-23347553, Fax: 23340845 Email: dmiwb03@nic.in	West Bengal, Andaman & Nicobar Islands, Sikkim
Deputy Agricultural Marketing Adviser, Directorate of Marketing & Inspection, 6th Floor, Kendriya Sadan, 3rd Block, Sector-9-A, Chandigarh-160017 Tel: 0172-2743201, Fax: 2744020, Email: dmich01@nic.in	Punjab, Haryana, Himachal Pradesh and Chandigarh
Deputy Agrl. Marketing Adviser, Directorate of Marketing & Inspection, H.No.245, IInd Floor, M.P. Nagar, Zone-II, Bhopal-462011 Telefax:-0755-2551847, Email: dirmkti@mp.nic.in	Madhya Pradesh
Marketing Officer Directorate of Marketing & Inspection, 33, Anand Nagar, Raipur-492001 Ph. 0771-2446030, Email: dmiraipur.cg@nic.in	Chhatisgarh

Name of Office	States/UTs
Asstt. Agricultural Marketing Adviser, Directorate of Marketing & Inspection, W-6, Phase-II, Okhla Industrial Estate New Delhi-110020 Tel: 011-26387285, 23277295, Email: dmidl06@nic.in	NCT of Delhi
Senior Marketing Officer, Directorate of Marketing & Inspection, 1, Inderprastha Society, Ist Floor, Opp. Shankar Nagar, Near Gandhi Bridge, Shahpur, Ahmedabad-380 004 Tel: 079-25660965, E-mail: dmigj03@nic.in/dmi-ahm@guj.nic.in	Gujarat
Marketing Officer Directorate of Marketing & Inspection Gondal Road, Bhakti Nagar, Rajkot-360 002 Tel: 0281-2227971, 2227997, Email: dmisorajkot@rediffmail.com	Daman & Diu, Dadra Nagar Haveli
Marketing Officer, Directorate of Marketing & Inspection ArlemRaiaSalcatte, P O Margoa APMC Complex, Goa-403720 0832-2743589, Email: dmi-mar.goa@nic.in	Goa
Marketing Officer Directorate of Marketing & Inspection, 61-A, Extn-II, Gandhi Nagar. Jammu Tawi-180 004 Tel: 0191-2450478, Email: dmijk01@nic.in	Jammu & Kashmir
Asstt. Agril. Marketing Adviser Directorate of Marketing & Inspection, Block-A, 6th Floor, Kendriya Bhavan, Opposite CSEZ, Kakkanad, Kochi- 682037 Tel: 0484-2424795, Fax: 2424794 Email: dmikl03@nic.in	Kerala, Lakshadweep
Senior Marketing Officer, Directorate of Marketing & Inspection, Rama Krishna Building, Tampunoor, Thiruvananthapuram -695001 Telefax: 0471-2321134, Email: dmikl02@nic.in	Kerala

Name of Office	States/UTs
Asstt. Agricultural Marketing Adviser Directorate of Marketing & Inspection M G Complex APMC Yashwantpur, Bangalore-560 080 (Karnataka) Tel: 080 23473004, Email: dmilkk04@nic.in	Karnataka
Deputy Agricultural Marketing Adviser, Directorate of Marketing & Inspection, New C.G.O. Building, 3rd Floor, New Marine Lines, Mumbai-400 020 Tel: 022-22036801, 22014533 Fax: 022-22091103, Email: dmiromah@nic.in	Maharashtra
Marketing Officer, Directorate of Marketing & Inspection OSCARD Bank Building, 4th Floor A/34, J.N. Marg, Bhubaneswar -7510 01 Tel: 674-2395299, E-mail:dmibbsr@nic.in	Odisha
Asstt. Agricultural Marketing Adviser, Directorate of Marketing & Inspection, Shashtri Bhawan, 4th Floor, 6th Block, 26 Haddows Road, Chennai-600006 Tel: 044-28271738/28278065 Email: dmirotn@nic.in	Tamil Nadu, Puducherry
Asstt. Agricultural Marketing Adviser, Directorate of Marketing & Inspection, Block-A, 4th Floor, Kendrya Sadan Complex, Sector-10, Vidhyadhar Nagar, Jaipur-302023 Tel: 0141-2231527/Fax: 2233762, Email: agmarkjpr-rj@ nic.in	Rajasthan
Senior Marketing Officer, Directorate of Marketing and Inspection, Computer Room, A.P.M.C. Niranjan Pur, Dehradun-01 Tel: 0135- 2521493, Email: dmiddn-ua@nic.in	Uttarakhand

Name of Office	States/UTs
Deputy Agricultural Marketing Adviser Directorate of Marketing & Inspection, 5th Floor, KendriyaBhawan, Hall-2, Sector-H, Aliganj, Lucknow-226 024 Tel: 0522-2326658, Fax-2335738 Email: Agmark.up@nic.in	Uttar Pradesh

For further information, please contact	
Asstt. Agricultural Marketing Adviser Directorate of Marketing & Inspection New CGO Building, N H- IV Faridabad (Haryana)-121 001 Tel: 0129-2434351 Email: mrin-dmi@nic.in	Technical Director Agmarknet Project Directorate of Marketing & Inspection New CGO Building, N H-IV Faridabad (Haryana)-121 001 Tel: 0129-2415954 Email: rajivkumar@nic.in

CHAPTER 4

STRENGTHENING OF AGMARK GRADING FACILITIES

4.1 INTRODUCTION

4.1.1 Grade Standards provide a common language for trade among growers, traders, processors etc. They provide a basis for incentive payment rewarding better quality. Farmers get prices commensurate with the quality produced by them. Grade standards help in electronic trading and issue of Negotiable Warehouse Receipt. The Agricultural Produce (Grading and Marking) Act, 1937 provides for framing of grade standards and their certification. SAGF sub scheme of the ISAM Scheme is an ongoing plan scheme to support grading and marking of agricultural produce, which involves framing of grade standards and certification of agricultural commodities included in the Schedule of the Agricultural Produce (Grading and Marking) Act, 1937. SAGF sub scheme aims to help DMI implement the Act including meeting the expenditure for the purchase of equipment, chemicals, glassware and apparatus, Annual Maintenance Contract (AMC) of the equipment as well as renovation and repair works in the Agmark laboratories/ Regional and Sub-offices of DMI. With this support, 11 Regional Agmark Laboratories and Central Agmark Laboratory, Nagpur are carrying out analysis of research samples and check samples for developing and promoting grading & standardization of agricultural commodities under Agmark.

4.2 OBJECTIVES

4.2.1 The main objectives of the sub scheme are:

4.2.1.1 To help farmers get better and remunerative prices by grading of their produce.

4.2.1.2 To frame grade standards of agricultural commodities as per the provisions in Agricultural Produce (Grading and Marking) Act,1937.

4.2.1.3 To implement AGMARK certification programme for commodities for which grade standards are notified for domestic trade and for exports.

4.2.1.4 To analyse research samples for creating analytical data base for the framing/revision of grade standards of agricultural commodities.

4.3 IMPLEMENTING AGENCY

4.3.1 Directorate of Marketing & Inspection (DMI) in the Department of Agriculture & Cooperation, Ministry of Agriculture, is the Nodal authority for certification of agricultural commodities including horticulture commodities under AGMARK.

4.4 INFRASTRUCTURE FOR THE GRADING & STANDARDIZATION PROGRAMME

4.4.1 DMI has infrastructure of 11 Regional Offices and 26 Sub-offices spread all over the country to implement the certification programme. Head Office at Faridabad attends to the policy matters and framing/revision of standards based on the Reports of research projects carried out at Central Agmark Laboratory(CAL). Eleven Regional Agmark Laboratories (RALs) spread all over the country provide analytical support for the analysis of research samples and check samples drawn from the authorized packers' premises and market. Central Agmark Laboratory at Nagpur is the apex laboratory. The RALs at Mumbai & Chennai and CAL at Nagpur are accredited with National Accreditation Board for Testing & Calibration Laboratories (Department of Science & Technology) as per ISO/IEC 17025. The RALs at Delhi, Jaipur, Kanpur, Kolkatta and Kochi are proposed to be accredited during the 12th Plan.

4.5 FRAMING AND REVISION OF GRADE STANDARDS.

4.5.1 Framing of Grade Standards

Standards of agricultural commodities are framed in a scientific way. Basically it involves the following steps:

4.5.1.1 Agricultural commodity for which grade standards are to be framed is selected based on demand and necessity.

4.5.1.2 A sampling plan is prepared based on the areas in which the commodity is grown, processed and traded.

4.5.1.3 Physical and chemical parameters to determine the purity and quality of the commodity are identified.

4.5.1.4 Samples of the commodity are collected by the field offices from growing areas, whole sale and retail markets as per the sampling plan.

4.5.1.5 The samples are analysed in the Regional Agmark Laboratories and Central Agmark Laboratory of DMI for the identified parameters.

4.5.1.6 Analytical data obtained is statistically analysed and Central Agmark Laboratory suggests the limits of various quality parameters for different grades.

4.5.1.7 The specifications of the commodity prescribed in relevant Regulations of Food Safety and Standards Act, 2006 and international standards viz. Codex Alimentarius Commission, ISO, etc. are consulted.

4.5.1.8 Draft standards are discussed with trade, industry and consumer organizations.

4.5.1.9 Preliminary Grading & Marking Rules for the Commodity are drafted and are vetted by the Ministry of Law & Justice, translated into Hindi and published in the Gazette of India for inviting comments and suggestions from all stake holders.

4.5.1.10 The comments/suggestions received are considered and final notification is drafted, vetted by the Ministry of Law & Justice, translated into Hindi and published in the Gazette of India.

4.5.2 Revision of Grade Standards

Grade Standards notified under the provisions of the Act are frequently revised to keep pace with the development of new varieties of agricultural commodities and technological advancements.

4.6 HARMONIZATION OF GRADE STANDARDS

4.6.1 The grade standards are being harmonized with international standards such as Codex & ISO and standards framed by Bureau of Indian Standards (BIS). The grade standards of Codex, ISO, BIS and Food Safety and Standards Authority of India are consulted while framing the standards and revising them from time to time. Efforts are being made to have a single standard for raw agricultural commodities which is acceptable to all stakeholders viz. farmers, agricultural produce markets, commodity exchanges, retail chains, consumers, etc.

4.7 FOCUS ON ENHANCEMENT OF INCOME OF THE FARMERS

4.7.1 The grade standards of 213 agricultural commodities have been notified under the provisions of the Act. These include raw, semi processed and processed commodities. Focus in the 12th plan will be on raw agricultural commodities such as cereals, pulses, oil seeds and fruits and vegetables so that farmers get incentive for grading the produce. Specific focus will be on the grade standards of fruits and vegetables and their grading and marking so that more countries recognize the Agmark certification system as already recognized by the European Union. The work of grading and marking of semi-processed and processed commodities where grading and marking of these commodities does not result into direct enhancement of income of the farmers, will be transferred to concerned Ministry/Department.

4.8 UTILIZATION OF FUNDS UNDER THE SUB SCHEME

4.8.1 The concerned RAL will procure its required equipment with approval of the competent authority and by following the GFR provisions.

4.8.2 For other components, provisions of GFR will be followed. All the components will be implemented as per delegated financial powers.

4.9 CERTIFICATION FOR DOMESTIC MARKET

4.9.1 The sub scheme for certification of agricultural commodities is **voluntary** as per the provisions of the Act. The persons desirous of certifying an agricultural commodity under AGMARK should have hygienic premises, necessary infrastructure to process and pack the commodity and have access to a well equipped laboratory for the estimation of prescribed parameters. The applicant for Certificate of Authorisation can either set up his own laboratory or have access to an approved State Grading Laboratory or Commercial Laboratory approved by the DMI for grading and marking of the commodities. The Chemist of the laboratory is trained in one of the Regional Agmark Laboratories (RALs) and is approved for carrying out grading and marking. Certificate of Authorisation (CA) is granted to such parties on their request after they submit the required documents and their capacity to process and pack the commodity and hygienic conditions in the premises are ascertained. The approved Chemist of the CA holder analyses the processed commodity for determining the grade standard and gets it packed in his presence.

4.9.2 Check samples are drawn from premises of the authorised packers and market and these are analysed in RALs to keep check on the certification programme. Action to warn and suspend/cancel the Certificate of Authorisation is taken, if any, check sample is found not conforming to prescribed standards.

4.9.3 Use of technology will be made to enable CA holders and approved laboratories. The present outdated system of issuing replica serial numbers will be replaced by technology enabled system to minimize the human interaction between CA holders and officials and to make available these services on 24 by 7 basis.

4.10 CERTIFICATION FOR EXPORTS

DMI is attending to certification of many agricultural commodities for exports. Fruits and vegetables are important. European Commission has approved the conformity checking operations of DMI for pre shipment inspection for export of fresh fruits and vegetables to EU countries. Agricultural Marketing Adviser has been notified as Official Authority and DMI as inspection body for the purpose. Inspection and certification is **voluntary.** DMI is attending to certification of fruits and vegetables for exports through approved laboratories. 13 laboratories spread all over the country are approved to attend to grading and certification.

Grapes, onions, okra and pomegranates are being certified for exports to EU countries. Efforts will be made that certification of agricultural commodities including fruits and vegetables is recognized by other countries also.

4.11 REVISION OF GUIDELINES RELATING TO AGMARK CERTIFICATION PROGRAMME

The Guidelines for grant of Certificate of Authorisation for grading and marking of agricultural commodities for domestic market as well for exports and the Guidelines for approval of State Grading Laboratory/Cooperative/Association/Commercial Laboratory for grading and marking for domestic grade and exports will be amended suitably in conformity with modern practices.

4.12 PHYSICAL TARGETS

4.12.1 During the XII Plan period, it is proposed that all the standards will be aligned with BIS and FSSAI. Focus will be on grading primary agricultural produce so as to help farmers in augmentation of incomes. Those activities and semi-processed, processed products will be rationalized which don't result into direct benefits for the farmers, in consultation with BIS etc. It is proposed to analyse 54,000 check samples and 10,300 research samples.

4.13 FINANCIAL OUTLAY

4.13.1 An amount of ₹6.00 crores has been approved for the implementation of the sub scheme during the XII Plan period, subject to availability of funds as per following details:

(₹ in crores)

Head	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Machinery & Equipment	0.04	0.05	0.05	0.10	0.10	0.34
Supplies & Material	0.14	0.15	0.15	0.25	0.25	0.94
Minor Works	0.43	0.45	0.45	0.60	0.60	2.53
Advertising & Publicity	0.03	0.04	0.04	0.05	0.05	0.21
Wages	0.07	0.06	0.06	0.10	0.10	0.39
Other Administrative Expenses	0.05	0.05	0.05	0.10	0.10	0.35
Office Expenses	0.16	0.15	0.15	0.28	0.28	1.02
Foreign Travel Expenses	0.02	0.05	0.05	0.05	0.05	0.22
Total	**0.94**	**1.00**	**1.00**	**1.53**	**1.53**	**6.00**

CHAPTER 5

AGRIBUSINESS DEVELOPMENT THROUGH VENTURE CAPITAL ASSISTANCE AND PROJECT DEVELOPMENT FACILITY

5.1 INTRODUCTION

5.1.1 Farming is the single largest private sector economic activity in the country. The growth potential in this key sector is immense in view of the changes taking place in food consumption and there is growing demand for high value processed products. Successes in such endeavors will require innovations and partnerships. Private agribusiness provide first point market for the farm sector and growth depends principally on private initiatives. A significant portion of agribusiness activity is the result of small and medium enterprises. Such enterprises are necessarily widespread in location to capture opportunities that arise all along the farm to table supply chain. Key constraints that impede development of new agribusiness projects are access to information and access to credit. Agribusiness entrepreneurs are generally first generation who have business skills but their financial resources are limited for setting up units at the farm gate with backward linkages. In order to facilitate agribusiness development in the country SFAC venture capital sub 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).

5.2 OBJECTIVES

5.2.1 The main objectives of the sub scheme are:

a. To facilitate setting up of agribusiness ventures in close association with all 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.

5.3 SALIENT FEATURES OF THE SUB-SCHEME

5.3.1 Venture Capital Assistance

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.

5.3.1.1 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 sub-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 the Notified Financial Institutions 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 sub-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, the 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. The Notified Financial Institution will also work out the amount of Venture Capital, as per criteria laid down at para 5.3.1.1. (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. Financial funding from SFAC would be in the nature of soft loan, till the Notified Financial Institutions term loan is fully repaid by the beneficiary and would automatically be converted into a term loan on the last date of such repayment as per the original schedule 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. The venture capital after it becomes term loan could be repaid to SFAC in lump sum immediately or the entire amount of VCA together with accrued amount of interest could be repaid 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.

5.3.2 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 the 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 amount for preparing bankable DPR through our empanelled consultant of SFAC under PDF sub-scheme would be in the range of ₹25,000/- to ₹1.00 lakh. Fee will be paid to empanelled consultants in three stages i.e. 20% at Stage-I for preparation of bankable DPR, 40% at Stage-II for sanction of term loan by Notified Financial Institution with VCA provision and 40% at Stage-III after sanction/disbursement of VCA by SFAC for projects categorized into 4 categories i.e. Category-I (₹10.00 lakh to ₹25.00 lakh), Category-II (above ₹25.00 lakh to ₹1.00 crore), Category-III (above ₹1.00 crore to ₹3.00 crore) & Category-IV (above ₹3.00 crore to ₹5.00 crore), fees being ₹25000/-, ₹50000/-, ₹75000/- and ₹100000/- respectively.

However, in every case where an empanelled consultant takes up the work of preparing the documentation under the scheme, prior approval of SFAC will have to be obtained in writing.

d. 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, Uttarakhand) in size.

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

f. SFAC will release cost of DPR preparation to the empanelled consultant.

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 sub-scheme to prospective entrepreneurs and producer organizations.

5.4 ELIGIBLE PERSONS

Assistance under the sub-scheme will be available to Individuals; Farmers; Producer Groups; Partnership/Proprietary Firms; Self Help Groups; Companies; Agripreneurs; units in agri-export 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.

5.5 ROLE OF CENTRAL SFAC

a. On receipt of proposal from the 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 the Notified Financial Institution needing clarification to determine if projects are qualifying or not and report back to the 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.

5.6 ROLE OF STATE SFACs

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

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 sub-scheme in local languages. They may use other means of advertisement to get wider publicity for the sub-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 SFACs 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.

5.7 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 Institutions 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.

5.8 ELIGIBLE FINANCING INSTITUTIONS

All 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.

5.9 FINANCIAL OUTLAY

Year	Financial Target (₹ In Crores)					Physical Target	
	VCA	PDF	Publicity	Admn. Support	Total	VCA	DPR
2012-13	45.00	1.00	1.52	2.48	50.00	100	60
2013-14	101.25	2.25	3.37	5.63	112.50	225	135
2014-15	101.25	2.25	3.37	5.63	112.50	225	135
2015-16	101.25	2.25	3.37	5.63	112.50	225	135
2016-17	101.25	2.25	3.37	5.63	112.50	225	135
Total	**450.00**	**10.00**	**15.00**	**25.00**	**500.00**	**1000**	**600**

5.10 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 the 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 Institutions 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 the 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 Notified Financial Institution 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. SFAC will submit to DAC a quarterly report as on 31st March, 30th June, 30th September and 31st December 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.

5.11 IMPLEMENTATION PERIOD

The sub-scheme will be implemented during 2012-17 in the XII Plan with a central assistance of ₹.500.00 crores.

5.12 IMPLEMENTING AGENCY

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

5.13 GENERAL AWARENESS, PUBLICITY AND TRAINING PROGRAMME

Services of the Notified Financial Institutions will also be engaged for sensitizing the officials of the Notified Financial Institutions and other functionaries about the sub-scheme. SFAC will undertake publicity through multiple media format to generate mass awareness about the sub-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 sub-scheme.

5.14 MECHANISM FOR RECOVERY OF OVERDUE VCA

SFAC will ensure timely recovery of VCA. SFAC will deposit the amount of venture capital repaid by beneficiaries to the Consolidated Fund of India. *SFAC may involve lending banks in the recovery of VCA.* SFAC will fix in advance with the approval of DAC, the fee to be paid to bank for this service. In critical cases of non-recovery of VCA, Board of SFAC would be empowered to write off the VCA amount and interest accrued thereon with the approval of Ministry of Finance.

5.15 POWER TO MAKE AMENDMENTS TO THE SUB-SCHEME

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

(Model Format)

Memorandum of Understanding
Between
Small Farmers' Agribusiness Consortium, New Delhi
(Department of Agriculture & Cooperation, Ministry of Agriculture)
and the Notified Financial Institution

This MOU is signed on the ________ day of __________ month__________ year at _________ by Small Farmers' Agribusiness Consortium (a Society Registered under Registration of Societies Act 1860) registered office at NCUI Auditorium Building, 5th Floor, 3 Siri Institutional Area, August Kranti Marg, HauzKhas, New Delhi – 110 016, which includes its successors/ assigns etc., hereinafter called SFAC on the first part and ____________ Notified Financial Institution (hereinafter referred to as 'Notified Financial Institution' which expression that unless repugnant to the context herein shall mean and include its assigns and successors) with registered office at______________ on the other part.

1. SFAC's focus is to attract private investment for setting up of projects that will link farmers & producer groups to markets, thereby substantially enhancing the opportunities for growth through commercial business activity.

2. The objective sought to be achieved by SFAC in discharging its duties are _______________ Venture Capital Assistance and Project Development Assistance to qualifying projects through participating Notified Financial Institution.

3. This agreement for SFAC Venture Capital Assistance operations with participating lending Notified Financial Institution will synergize their functions, competencies and projected sector development.

4. Whereas the Notified Financial Institution, in furtherance of its desire to play an active role in participation and promotion of investments in qualifying Agribusiness projects and to coordinate the related activities with SFAC, is prepared to make available term loans/working capital to qualifying Agribusiness projects and also facilitate extension of SFAC's Venture Capital Assistance (VCA) and Project Development Assistance (PDA) through a single window approach.

5. For the purpose of synergizing the efforts of SFAC for Promoting Agribusiness Development in the country with the Notified Financial Institution's expertise in extending loans to viable agri- projects, SFAC and the Notified Financial Institution do hereby agree to cooperate with each other, for the development of Agribusiness Sector and related areas and enter into this Memorandum of Understanding (MOU).

6. Whereas SFAC and the Notified Financial Institution are desirous of establishing a formal operational framework to achieve the objectives of Agribusiness.

7. Whereas SFAC, in order to achieve its objective desired to associate with the Notified Financial Institution for disbursement of VCA and PDA (for preparation of DPR by SFAC empanelled consultants) to Agribusiness projects and to attract private investment for setting up of projects that will link farmers and producers groups to markets, thereby substantially enhancing the opportunities for growth through commercial business activity which in turn will generate ample employment opportunities for rural unemployed and the Notified Financial Institution agreed to disburse the same and to provide term loans/working capital to such qualified Agribusiness projects and serve as a single window facility on the following terms and conditions:

The abbreviations and terms used in MOU

Qualifying project for VCA - Project qualifying for Venture Capital Assistance (VCA) provided by SFAC would be one which (a) is dependent upon agriculture or allied sector or related to agricultural services. Poultry and dairy projects will also be covered under the sub-scheme (b) provides assured market to farmers/producer groups (c) encourages farmers to diversify into high value crops aimed to increase farm incomes and (d) is accepted by the Notified Financial Institution for grant of project term loans after satisfactory techno-commercial feasibility.

Qualifying project for PDF - A project qualifying for assistance from the PDF will be qualifying project for VCA set up by producers groups/Agribusiness groups with minimum project cost of ₹15 lakhs (₹10.00 lakhs in case of North-Eastern and Hilly States (Uttarakhand, Himachal Pradesh, Jammu & Kashmir) and which has been accepted in principle for considering sanction of term loan by a Notified Financial Institution on the basis of Pre-feasibility report.

Project Development Facility (PDF) of SFAC maintains a pool of qualified skilled consultants to render services at low cost to producer groups/Agribusiness groups.

Project Development Assistance (PDA) is a component under which financial support is provided to producer groups/Agribusiness groups for preparation of DPR by SFAC.

Detailed Project Report (DPR) is the document providing all necessary details and projections relating to the project, which would enable Notified Financial Institutions to evaluate viability of the project.

Venture Capital Assistance (VCA) is the financial support provided by SFAC for qualifying projects to meet shortfall in the capital required for implementation of the project. VCA will be treated as part of equity during the currency of the bank loan and thereafter converted to a loan based on an agreement to be executed between SFAC and the borrower.

8. Responsibilities of the Notified Financial Institution (notified FI)

Project Development

a. The Notified Financial Institution has branches and operations in different parts of the country and they are closely linked and accessible to producers and entrepreneurs in the areas covered by their branch network. The producer groups/entrepreneurs/ trained Agribusiness graduates/units in agricultural export zone (AEZ) (called applicant) desirous of seeking PDA can approach nearest branch of the Notified Financial Institution along with pre- feasibility report or such other documents giving details of the proposed project for the consideration of the Notified Financial Institution. Such persons may also directly approach SFAC seeking assistance for preparation of DPR under PDA component.

b. The Notified Financial Institution will examine the pre- feasibility report and on being about the background of the promoters and prima facie acceptability of the project, will record their observations and direct the proposal to SFAC for assistance in preparation of DPR by one of the consultants in their panel. The Notified Financial Institution may also directly forward the case to SFAC empanelled consultant for taking up the study on the terms and conditions stipulated by SFAC under advice to SFAC.

c. In respect of cases referred to a consultant directly by the Notified Financial Institution, payment will be made from the funds received from SFAC for preparation of DPR as per the terms and conditions specified by SFAC.

d. The Notified Financial Institution will release the cost of preparation of DPR to those projects found viable depending on the size, location, and linkage issues on a case-to-case basis from the SFAC fund. Intending projects must be over ₹15 lakhs (₹10 Lakhs in case of NE States and other hilly areas) in size.

e. Fee will be paid to empanelled consultants in three stages i.e. 20% at Stage-I for preparation of bankable DPR, 40% at Stage-II for sanction of term loan by Notified Financial Institution with VCA provision and 40% at Stage-III after sanction/disbursement of VCA by SFAC for projects categorized into 4 categories i.e. Category-I (₹10.00 lakh to ₹25.00 lakh), Category-II (above ₹25.00 lakh to ₹1.00 crore), Category-III (above ₹1.00 crore to ₹3.00 crore) & Category-IV (above ₹3.00 crore to ₹5.00 crore), fees being ₹25000/-, ₹50000/-, ₹75000/- and ₹100000/- respectively.

f. Agribusiness projects will need to be directly linked to the bank to avail project term loans. The Notified Financial Institution will have the flexibility to syndicate any part of the project term loan to other Notified Financial Institutions.

g. The DPR received from SFAC or directly from the consultant will be examined in detail by the 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 forwarded to SFAC for their record.

h. The Notified Financial Institution will maintain separate account for SFAC funds.

9. Venture Capital Assistance

9.1 As part of term loan appraisal in respect of proposals received from the entrepreneurs or agriculture producer groups for sanction of agricultural term loans. The Notified Financial Institution will indicate the amount of venture capital support from SFAC while working out the funding pattern for qualifying projects. Projects qualifying for venture capital assistance from SFAC:

- Are dependent upon agricultural or allied produce.
- Provide direct access to producers as assured markets.
- Encourage farmers to diversify into high value crops aimed to increase farm income.

- Are accepted by the Notified Financial Institution for grant of project term loans after satisfactory techno- commercial feasibility.

9.2 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 lakhs.

9.3 Higher venture Capital Assistance can be considered by SFAC to deserving projects on merit and/or to projects that are located in remote and backward areas, north eastern and hilly States and projects promoted by States/State SFAC's.

9.4 For qualifying projects conforming to the criteria mentioned under Para 5.9.1 previous, the Notified Financial Institution while considering sanction of term loan for project implementation and tying up the means of finance to meet the total project. The Notified Financial Institution will evaluate the quantum of VCA required keeping in view the stipulations contained in Para 5.9.2 and 5.9.3., the Notified Financial Institution will write to SFAC giving details of the project, its cost and indicating the quantum of VCA recommended for tying up means of financing. The Notified Financial Institution will also indicate when the venture capital funds will be required for project implementation. SFAC will place the proposal before its investment committee and communicate to the Notified Financial Institution the quantum of VCA approved for the project.

9.5 In case any clarification is needed to determine if projects are qualifying projects or not, the Notified Financial Institution can refer them to SFAC's Project Development Facility, Division of SFAC & PDF Division, who will investigate such proposals which may include site visits and respond to the Notified Financial Institution within 30 days.

9.6 The Notified Financial Institution will provide SFAC with full details of the terms and conditions under which the term loan is sanctioned including repayment scheduled fixed for the loan. The bank will also keep SFAC posted of the progress in implementation of the project from time to time after the project become operational. The Notified Financial Institution will keep SFAC posted of the performance of the unit on an yearly basis and keep SFAC informed of any unsatisfactory features noticed in the working of the project as and when it occurs. SFAC will have no charge during the currency of the term loan. Once the term loan is fully repaid, the Notified

Financial Institution will advise SFAC of the position to enable them to convert their venture capital funding into a loan repayable as per the agreement entered by SFAC with the promoters. 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.

9.7 The Notified Financial Institution will release the term loan in one go or as per the progress in the project implementation after completion of documentation formalities. The funds received from SFAC will be retained in a separate account and released for the project implementation as and when requested by the applicant.

9.8 In case of the failure of the project, the Notified Financial Institution may opt for a compromise settlement or resort to legal recourse for recovery of their dues as per the policy of the bank. While, the Notified Financial Institution will be free to take any such decisions without seeking the concurrence of SFAC, SFAC will be informed of any such decision taken to safeguard its interest.

9.9 The Notified Financial Institution will appoint a nodal officer for corresponding with SFAC in all matters relating to sanction and release of assistance under venture capital or for the preparation of DPR. The Notified Financial Institution may also provide SFAC with a list of its regional/Zonal offices for forwarding proposals received by SFAC and its state functionaries/state level SFAC's for their consideration.

10. Responsibilities of SFAC

a. SFAC's Project Development Facility (PDF) will maintain a pool of pre-qualified skilled consulting firms and individuals with specific skills to render services at low cost to entrepreneurs and to lending Notified Financial Institutions. SFAC's PDF will address gaps if any in Agribusiness enterprise skills in an active handholding manner. SFAC will also look to take assistance of specialized Agribusiness groups if some Notified Financial Institutions have the capability to undertake PDF role in line with the PDF and Venture Capital sub-scheme.

b. SFAC's PDF is a generator of potential Agribusiness projects which can attract investment that will benefit the rural community through increased employment and incomes which can be referred to the Notified Financial Institution.

c. SFAC may assign the services of Agribusiness specialists from SFAC's PDF from time to time to associate with periodic progress evaluation of SFAC's VCA projects.

d. SFAC will forward proposals received from state level functionaries/state level SFACs to the nodal officer of the Notified Financial Institution or regional/zonal offices of the Notified Financial Institution for their consideration.

e. The PDF of SFAC will arrange to have DPR prepared by a consultant in its panel promptly on receipt of request from the Notified Financial Institution after satisfying about pre-feasibility report.

f. SFAC will arrange to remit funds required for preparation of DPR under PDA immediately on receipt of request from the Notified Financial Institution in respect of cases directly referred to a consultant by them.

g. On receipt of communication from the Notified Financial Institutions giving details of the qualifying project for VCA, SFAC will place the proposal for VCA before its investment committee and communicate sanction to the Notified Financial Institution and the borrower SFAC will make VCA funds available for the project implementation through the Notified Financial Institution immediately on receipt of the communication from the Notified Financial Institution giving details of term loan/working capital proposed to be sanctioned by them.

11. Reporting and Exchange of Information

With a view to minimize paper work and ensure that SFAC is provided with all relevant details of individual projects financed by the Notified Financial Institution with Venture Capital support provided by SFAC and also 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 Assistance (VCA)/Project Development Assistance (PDA):

The Notified Financial Institution will report disbursement made by them in respect of VCA/PDA against funds received from SFAC every time a payment is made. In respect of VCA along with the report on utilization of funds, a report on progress in project implementation would also be sent to SFAC. Such periodical reporting will be sent to SFAC until the project is fully implemented and commercial operations are started. In respect of PDA, the Notified Financial Institution will report if after examining the DPR, a decision is taken by the Notified Financial Institution not to sanction term loan on assessment that the project is not viable.

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 VCA 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 Institution would also keep SFAC informed of any significant developments with regard to operation of the projects, its implementation and unsatisfactory features it any noticed by them. The Notified Financial Institution will also keep SFAC informed of any recovery action initiated by them in the event of failure of the unit to perform or inability of the borrowers to meet financial commitments.

d. Project Specific Information:

In addition to the above standard reporting by the Notified Financial Institution, the Notified Financial Institution would also provide SFAC with project specific information, if any, sought by it from time to time.

12. Parties Notification

Each of the parties hereto shall promptly inform the other of any of the following events:

a. Any event of which such party becomes aware which, in the opinion of the party, is likely to interfere materially with, or seriously hinder or impair; the implementation of the project, or to interfere adversely and materially with the performance by:
   i. The borrower of its obligation under the Facility Agreement with such party.
   ii. The guarantor of its obligation under the guarantee given in favor of such party.

b. Any notice given by the borrower to prepay the whole or any part of the loan disbursed pursuant to the Agreement with such party and any amount thereof actually prepaid.

c. In certain circumstances it might become necessary for the Notified Financial Institution to call up the loan and initiate recovery proceeding against the borrower and guarantors if any. The Notified Financial Institution would take all such measures required to protect its interest as well as that of SFAC. While, it may not be considered prudent to consult SFAC before taking such action, SFAC will be informed of the action taken by the Notified Financial Institution of the earliest.

13. Written Consent Prior to Amendment

SFAC and the Notified Financial Institution shall not agree to any amendment that will affect the right or responsibilities of the other with regard to disbursement or procurement or that may affect the right to recover the money advanced as per the original authorization schedule without the prior written consent of the other.

14. Parties Independent Decisions

Except as otherwise provided in this MoU, each party agrees that all its decisions, including decision to take or refrain from taking action concerning the project or a loan agreement to which it is a party, shall be based exclusively on its own judgment, independently of the information provided by, or excepted from, the other party or the views expressed by such other part.

15. Arbitration

In any case of dispute, if any, arising out of this MoU may be resolved through mutual consultation failing which it may be done by way of arbitration by a sole arbitrator chosen by the Notified Financial Institution and SFAC as per arbitration and conciliation Act, 1996 and venue of the Arbitration will be New Delhi.

16. Channel of Communication and Notices

a. For the purpose of this MoU, the representative of the parties shall be:

   i. For SFAC: Managing Director.

   ii. For the Notified Financial Institution: Chief General Manager/General Manager Agribusiness Group/Priority Sector (to be indicated by the Notified Financial Institution).

b. Either party may, by notice in writing to the other party, designate additional representative/s or substitute other representative/s for those designated in this Article.

c. Any notice or other communication under MOU shall be in writing and shall be deemed to have been duly given or made when it has been delivered by hand, mail, e-mail, cable or tele fax, as the case may be, by either party to the other at the appropriate address specified below or such other address as either party may hereafter notify in writing to the other party:

For SFAC: Mailing Address:

NCUI Auditorium, Vth Floor,

August KrantiMarg, HauzKhas,

New Delhi-110016

Telephone: Fax: _______________ E-mail: ________________________________

For the Notified Financial Institution Mailing Address: ______________________________

Telephone:____________Fax:______________E-mail:____________________________

17. Final Provisions

1. The Memorandum of Understanding (MOU) shall come into force upon its signature by the authorized representatives of the parties hereto and far a term of 10 years.
2. The parties to this MOU shall before expiry of its term review the result achieved under this MOU and consult with each other with a view to deciding whether to extend the term of this MOU. Any extension of the term of this MOU, as aforesaid, may be affected through a simple exchange of letters between the parties.
3. The parties of this MOU may amend any of the provisions of this MOU or enter into supplementary arrangements designed to extend the scope of the present MOU.
4. Either party may terminate this MOU by giving not less than six (6) months advance notice, in writing, to the other party; provided that such termination shall become effective only on the date specified in the termination notice,

and provided further that termination as aforesaid shall not, unless that parties otherwise agree, effect any non-cancelable commitments entered into under this MOU with a third party prior to the date of the termination notice. In the event of termination by either party, both parties shall co-operate to ensure that all arrangements made hereunder are settled in an orderly manner. In the event of the agreement being terminated the amount already sanctioned and released to the Notified Financial Institution will continue to be operated by the Notified Financial Institution as if this agreement was still operative.

The focal points/contact persons under this MOU will be______________________________ on the ______________ in New Delhi.

For Notified Financial Institution

CEO of the Notified Financial Institution

Address:

For Small Farmers' Agribusiness Consortium

Managing Director

Address:

Witness:

(Name & Address)

AGREEMENT BETWEEN SFAC AND THE BORROWER

This agreement is executed on this…….. day of Two thousand .... (…………..201...) between M/s. ……………., a Company incorporated under the Indian Companies Act 1956, having its place of business/Registered Office at………………………, and factory/ processing unit at……………, hereinafter called the "BORROWER" (which included his/her/ its heirs, executors, administrations, successors and assignees) as first party & Small Farmers' Agribusiness Consortium (SFAC), a Society registered under Societies Registration Act 1860, having its Registered Office at NCUI Auditorium Building, 5th Floor, 3, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi-110016 hereinafter called "SFAC" (which includes their assignees, attorneys and successors in title) as Second Party.

WHEREAS the first party is setting up……………..….. and is in need of Venture Capital amount which will be deemed to be a loan after recovery of term loan of Leading Bank………..., hereinafter called the Bank (which includes its successor banks). The Venture Capital Assistance amount will be refundable prior to due date or on the scheduled end date of their term loan whichever is earlier. At the request of first party vide their application dated…….. received directly or through…………… SFAC has considered and sanctioned Venture Capital amount of ₹…… lakh (Rupees ………only) to the First party. The first party will refund the amount of Venture Capital granted by SFAC in lump sum on liquidation of the Notified Financial Institution's term loan as per original schedule of repayment, which is …………. as advised by the Notified Financial Institution. The borrower will tender a post dated cheque dated ………. for the amount of Venture Capital Assistance amount for this purpose.

AND

WHEREAS in consideration of the above promises The First Party, ……………. offered as security by way of equitable/registered mortgage on agricultural land and appurtenants/ building thereto as required by SFAC as per details given in Annexure A and will also hypothecate movable assets like plant & machinery/vehicles/equipment/raw materials. etc., as per details given in Annexure B, and accepted by SFAC. The other terms and conditions as agreed upon between first party and SFAC are as follows:

1. The CEO of the Borrowing unit must be a professionally qualified person.
2. That the lending Notified Financial Institution will hold charge on the assets (movable/immovable) of the unit till full repayment of their term loan as per original prescribed schedule.

3. That the Venture Capital amount will automatically be deemed to be a loan from the date the Lending Bank has actually recovered its term loan or on the schedule end date of term loan, whichever is earlier. It may, however, be clarified that in the event of re-schedulement of the bank's term loan, the entrepreneur is required to refund the Venture Capital amount as per the original prescribed schedule because Venture Capital amount of SFAC is interest free and financial assistance is to be given to other eligible entrepreneurs for setting up of agribusiness projects. However, if lending Notified Financial Institution make SFAC a party while discussing possibility of rescheduling banks term loan, SFAC may consider request of the borrower for rescheduling of VCA on case to case basis.

4. That Borrower has the option to refund the Venture Capital amount granted by SFAC even prior to the due date of repayment of Term Loan.

5. That the deemed loan of SFAC as referred to above will remain secured by creation of charge (mortgage & hypothecation) in favour of SFAC on the project assets previously held by the Lending Notified Financial Institution and till such times as the deemed loan and interest accrued thereon are entirely refunded to SFAC.

6. That the Borrower hereby undertakes to utilize the Venture Capital amount granted by SFAC for the purpose for which it was granted. In the event of diversion/misutilization, SFAC reserves the right to recall the entire amount of Venture Capital in lump sum.

7. That in case the Borrower is unable to repay the Venture Capital amount in lump sum immediately after repayment of Notified Financial Institution's Term Loan, it will have option to repay the entire amount of loan together with accrued amount of interest in 4 quarterly installments within a year. The rate of interest in this regard will be the same as charged by the lending bank on its term loan.

8. That the Borrower will also authorize the Lending Notified Financial Institution at the time of executing this agreement to debit their account, i.e. Cash Credit Account/ Current Account No…… with………., after repayment of bank's/Notified Financial Institution's term loan equivalent to the refundable amount or any other incidental expenses. The borrower also undertakes to ensure substantial balance in their account in order to facilitate the refund of SFAC's loan and other incidental expenses. Alternatively, the borrower can directly refund the Venture Capital amount and other incidental expenses by means of demand draft drawn in favour of "Small Farmers' Agribusiness Consortium" payable at New Delhi.

9. The borrower fully understands and acknowledges that the Venture Capital provided by SFAC is based upon appraisal note, sanction letter for the term loan by the Notified Financial Institution specifically on the terms and conditions and assets verified by the Notified Financial Institution as securities for the term loan and, therefore, expressly undertakes not to change the Notified Financial Institution indicated herein during the pendency of the SFAC's Venture Capital. However, in exceptional cases one time change of bank is allowed by SFAC. The borrower also undertakes not to withdraw the securities from the Notified Financial Institution until and unless the Venture Capital amount is refunded to SFAC.

10. That the Borrower hereby declares and confirms that the status of the securities and their possession, maintenance, coverage of insurance etc. will remain in force, as was the case with in the lending Notified Financial Institution.

11. That the Borrower must submit their audited Balance Sheet/Financial Statement along with a confirmatory letter every year (i.e. Balance sheet date) about the outstanding amount of Venture Capital in their book which is refundable after repayment of the Notified Financial Institution term loan.

12. That as per objectives of SFAC, small farmers are to be ultimate beneficiaries of the Venture Capital sub-scheme. Therefore, it will be obligatory on the part of the first party to ensure establishment of backward linkages with the farmers and in the event of failure to have such linkages with the farmers, SFAC may cancel the loan arrangement and ask first party to refund the entire amount of Venture Capital in lump sum within a period of one month after receipt of such decision from SFAC.

13. That the Borrower agree and undertake that a suitable provision equivalent to proportionate refundable amount will be made every year and invest the same in liquid assets in order to facilitate refund of amount of Venture Capital to SFAC in lump sum.

14. Further, the Borrower also undertake to follow the under noted terms and conditions:

    (i) To pay all taxes, rents etc. regularly and in the time in order to keep the hypothecated and mortgaged assets free from distress, attachment, sale, etc.

    (ii) Not to create any charge by way of mortgage, pledge, hypothecation, sell or dispose off in any manner the movable/immovable properties referred to in the Annexures.

(iii) To keep SFAC indemnified at all times for the losses caused to it on account of negligence of Borrower.

(iv) To execute any other document or furnish information as and when required by SFAC.

(v) To ensure that after the repayment of the term loan, the beneficiary will continue to comprehensively ensure the movable and immovable assets being charged to SFAC with SFAC Clause and hand over the same to SFAC till refund of the amount of Venture Capital amount.

(vi) In the event of any incident, the Borrower shall file the claim with the respective insurance company and keep SFAC posted about the receipt of claim amount and damages etc.

(vii) The Borrower undertake to ensure that the permits, licenses are renewed timely and kept intact.

15. That in the event of the Borrower failing to pay the balance or any other money due to the SFAC by virtue of this agreement or if for any reason the SFAC thinks that its interest is in jeopardy, the SFAC reserves the right to dispose of all the securities either hypothecated or mortgaged in order to recover its dues without intervention of Court.

16. That the Officers or nominees of the SFAC, shall have free access to business premises in order to ascertain the actual status of the securities hypothecated/mortgaged assets to the lending Notified Financial Institution/SFAC and to take possession if warranted for the purpose of acquiring/selling of any of the hypothecated/mortgaged assets by public auction without intervention of Court and appropriate the net proceed towards liquidation of all sums due from the Borrower. The Borrower hereby agrees to accept that on account of any such sale realization and in case of shortfall, undertake to pay such further balance as may be due from the Borrower forthwith. Any cost incurred by SFAC for realization of its money by sale of hypothecated and mortgaged assets will be added to the outstanding liability of loan amount of SFAC and will be recoverable from Borrower.

17. The Borrower also understands and agrees not to neglect or refuse any of the obligation towards furnishing documents required for monitoring the progress of the project, change of the Notified Financial Institution or otherwise shifting the location and the assets acquired for the projects and more particularly towards repayment of

the amount of Venture Capital, SFAC will proceed to recover the amount due as if it were an arrears of land revenue.

18. That the Borrower hereby declares that the contents of this agreement have been read and understood by him and he will abide by the terms and conditions of this agreement.

19. That the Borrower shall not remove or dismantle any of the goods/assets as mentioned in Annexures without the written consent of the SFAC.

That in the event of any dispute arising between the parties only Delhi Courts have jurisdiction to try, entertain and decide the said matter.

In Witness of above both parties have executed this agreement on this….. day of ….. Two Thousand..................... (…….201..).

For and on behalf of SFAC:	**Borrower**
(……………..)	(………………….)
(Name & Designation)	(Name & Designation)
(……………..)	(…………………..)
Witness signature	Witness Signature

SCHEDULE –A

ANNEXURE–1

Fixed Assets

Sl. No.	Particulars/Extent	Nature of Property	Location and Boundaries	Approximate Value

SCHEDULE–B

ANNEXURE–II

Moveable Assets

Sl. No.	Particulars/Extent	Location and Boundaries	Approximate Value

FORM GFR 19 –A

(See Government of India's Decision (1) below Rule 15)

Form of Utilization Certificate

<table>
<tr><th>Sl.No.</th><th>Letter No. and Date</th><th>Amount</th><td rowspan="4">Certified that out of the sum of ₹………… of Venture Capital Assistance sanctioned during the year……… in favour of ………..under this Ministry/Department letter No………given in the margin and ₹…… on account of unspent balance of the previous year, a sum of ₹…… has been utilized for the purpose of…….. for which it was sanctioned and that the balance of ₹…… remaining unutilized at the end of the year has been surrendered to the Government (Vide No……… dated…….)/ will be adjusted towards the Venture Capital Assistance payable during the next year or utilized in the next financial year.</td></tr>
<tr><td>1.</td><td></td><td></td></tr>
<tr><td>2.</td><td></td><td></td></tr>
<tr><td></td><td>Total:</td><td></td></tr>
</table>

Certified that I have satisfied myself that the conditions on which the Venture Capital assistance was sanctioned have been duly fulfilled/are being fulfilled and, that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1.
2.
3.

Signature……………………………….

(Name)……………………….………….

Designation…………………………….

(Office seal)………………….…………

Verified and certified by

Chartered Accountant
(with address and seal)

CHAPTER 6

CHOUDHARY CHARAN SINGH NATIONAL INSTITUTE OF AGRICULTURAL MARKETING

6.1 INTRODUCTION

6.1.1. The agriculture marketing sector is today witnessing many challenges in the form of trade liberalisation, globalisation, diversification towards high value crops, changing market demands, etc., and therefore needs to become more responsive. Guiding the direction of change in agricultural marketing has become even more challenging. The main endeavour of the subscheme, through capacity building, conducting training, consulting solutions, education and policy advocacy, will be to escalate the agricultural marketing system in the country to a level where it can go hand in hand with the production and market sentiments.

6.2 OBJECTIVES OF THE SUBSCHEME

6.2.1 To undertake and promote the study of applied and operational research in problem areas of agricultural marketing and to act as a national level nodal point for co-ordination of various research studies and dissemination of technologies relevant to agricultural marketing in the country.

6.2.2 To impart training to various levels of personnel of organizations involved in agricultural marketing activities such as State Agricultural Marketing Boards (SAMB), State Development Departments like Agriculture, Horticulture, Animal Husbandry, Fisheries, Forestry, Sericulture, State Agricultural Universities, Co-operative Marketing Societies, Commodity Boards, Input Agencies and Progressive Farmers, Entrepreneurs, etc. To help them develop bankable projects for creation of market infrastructure and integrated value chains.

6.2.3 To conduct research on long-term projects, policy formulations; prepare status paper on leading issues; case studies in specific marketing problems, processing industries, export management, etc. which have a direct bearing on the national economy.

6.2.4 To offer consultancy services to State and Central Departments, public-sector undertakings, co-operatives, etc. in the formulation of projects and prepare Master Plans for States, Export Institutions, Traders and Farmers.

6.2.5 To develop promising human resources by providing long-term structured courses in agricultural marketing through Diploma/Degree courses.

6.2.6 To help State Government to generate self-employment for educated youth by exploiting local potential resources.

6.2.7 To facilitate Government to formulate policies on emerging issues in agricultural marketing.

6.2.8 To cover a wide information network in the country in agricultural marketing to evolve efficient, innovative and competitive marketing processes.

6.2.9 To develop as a 'Centre of Excellence' in the field of agricultural marketing by establishing adequate liaison with international organizations.

6.3 SALIENT FEATURES

6.3.1 Capacity Building/Training

In order to impart quality training to different stakeholders the Institute needs to adopt an innovative approach and widen its horizon in terms of content, knowledge and methodology. In all, during XII Five Year Plan about 675 training programmes will be conducted. The Institute will focus on trainings with wider coverage, client orientation, research based training.

6.3.1.1 Wider Clientele Coverage

The client base will be increased by targeting national/state level agencies serving agriculture and allied discipline such as State Agricultural Universities, Krishi Vigyan Kendra, NGOs, Producers Organizations, Traders Association, elected members of physical markets, Commodity Boards, potential entrepreneurs and farmers, etc.

6.3.1.2 Target Oriented Course Module

To encourage participation from various agencies including private sector target oriented course module will be developed. For this purpose, a training need assessment will be done on regular interval. Training modules imparted by NIAM will be repeatable every two-three years across the country.

6.3.1.3 Demand driven Training

NIAM will conduct demand driven certificate training courses of 3 to 6 months, in the field of Agribusiness, Agri-Marketing etc. to cater to young, unemployed school dropouts to make them employable. NIAM will also consider tie-ups with companies/other organisations so that post-training absorption is 100%. NIAM may tie up with various partners consisting of IIM, SAU and other training institutes both in public and private sector to impart such training. Efforts will be made to make such training programs self financing and self sustainable in near future.

6.3.1.4 Research Based Trainings

To enhance the quality and practicability of the programme findings of research will be linked with training. Additionally, case studies will be conducted across regions to facilitate documentation of ground realities and for using the same for imparting training.

6.3.1.5 Developing linkages with the Stakeholders

Linkages will be established between the Institute and different stakeholders from Government as well as corporate sector through workshops, buyers-sellers meet, Management Development Programmes (MDPs), sensitization programme, etc.

6.3.1.6 International Collaboration in Capacity Building

The Institute would work as a knowledge centre for Asia and pacific region by developing coordination with the FAO and UNDP wherein these agencies will provide academic, technical, institutional and financial support. Similarly, the Institute may collaborate with the other international agencies working in the field of agricultural marketing, agribusiness etc. through capacity building, research and faculty exchange programme.

6.3.2 Research Activities

6.3.2.1 Applied research on various aspects of agricultural marketing and dissemination of knowledge is another noble objective of NIAM. NIAM will undertake and promote studies of applied research in problem areas of agricultural marketing and act as a nodal point for coordination of various research studies and dissemination of technologies relevant to agricultural marketing in the country.

6.3.2.2 NIAM will undertake research studies with focus on:

(i) Management oriented case studies and use the findings of these in the training programme and education for strengthening the programmes. For this, NIAM may also collaborate with other institutions. Institutional arrangements will be suitably changed to accommodate such collaborative research.

(ii) Research studies which address specific issues.

(iii) Detailed study/documentation of each innovation and intervention in agri-marketing sector for the purpose of policy formulation and replication.

(iv) Research for development of supply chain, Integrated value Chains for leading fruits and vegetables in collaboration with some national/international university.

(v) Preparation of working papers and policy papers and uploading the same on the website of the Institute.

6.3.2.3 Publication of research studies/uploading on website.

6.3.2.4 Strengthening the research component by defining the guidelines and norms on the lines of ICARs/IIMs/MANAGE for smooth conduct of the research studies especially from financial view point.

6.3.3 Consultancy

6.3.3.1 In the perspective of booming agribusiness sector, establishment of markets with modern infrastructures assumes importance. Market planning and designing to create state of art complex requires a professional approach. It not only requires designing and planning of a market at a particular place, but includes a holistic view of the agrarian scenario. In the present era of globalization, market planning and designing encompasses issues such as backward and forward linkages, quality and safety aspects, etc. This requires a broader, futuristic and integrated view of designing and planning, understanding, social parameters, flow variables, architectural concepts, commodity specific infrastructure etc. The consultancy assignments in the above mentioned areas will be taken up by the Institute.

As the Government focuses on the increased participation of private players in the development of the sector specially in the creation of infrastructure and in provision of services, NIAM will in addition to consultancies from state government make efforts to get consultancies from corporate sectors.

6.3.3.2 The consultancy division of the Institute will be strengthened through:

(i) Widening the clientele base with inclusion of private sector.

(ii) Enhancing human resource as per the requirement of the assignment.

(iii) Collaboration with other national/international agencies.

(iv) Properly defined guidelines for smooth implementation of the projects.

(v) Allocation of a portion of the revenue generated through consultancy towards faculty development fund as per norms and subject to prior approval of competent authority.

(vi) Capacity building of the faculty.

(vii) Greater autonomy for utilization of revenue generated through consultancy.

6.3.3.3 NIAM would also arrange for consultancy services for setting up of a "Project Development Facility" to catalyze investment credit in agri-marketing infrastructure projects.

6.3.4 Education

6.3.4.1 The education mandate of NIAM aims at developing human resources by providing long-term structured courses in agricultural marketing through diploma courses. The post graduate diploma programme on agribusiness management is well designed to meet the shortage of manpower for agribusiness management in the country. This highly accredited course will continue to meet the demand for trained manpower in the sector. Presently the course curriculum of NIAM covers most of the issues in agribusiness. However, it is pertinent to bring changes in the focus of education in the perspective of new paradigm of agricultural marketing. In order to achieve this, it is proposed to upgrade the existing course. The Institute will focus on following areas:

(i) Revision of course content on periodic basis.

(ii) Identifying best faculty resources in the field of agribusiness.

(iii) Increase the proportion of courses covered by internal faculty gradually over time.

(iv) Provision for academic development of faculty from time to time/need-based to enhance the quality of teaching in the Institute.

6.3.4.2 NIAM will try to increase the seats allocated to this course and also run similar programs in all states in collaboration with SAU/Management Institutes and other educational institutes both in Public and Private sector.

6.3.5 Policy Advocacy

6.3.5.1 NIAM will be pro-active in advising policy interventions and send a monthly advisory on various topics to DAC. Alternatively, DAC may seek advisories from NIAM.

6.3.5.2 NIAM will create a model project report with respect to each components being funded under the ISAM sub schemes handled by Marketing Division or other Divisions of DAC, related to Agri-Market or Agribusiness. These may be created as pdf document, which may be uploaded on the NIAM website. NIAM will update these every year and these may be freely available to any potential users.

6.3.5.3 NIAM will undertake issue based studies advised by DAC and make presentations on themes such as E-Trading/Agri-Market/Agribusiness, mobile based service, Market reforms, storage, etc. and update these on a regular basis.

6.3.5.4 NIAM either directly or in collaboration with SAU, Agriculture Marketing Boards, other organizations will do policy advocacy with state Governments for reforms related to Agriculture Markets such as AMPC Act reforms. For this NIAM will publish articles in newspapers, make presentation to state Government officials, provide them all support for undertaking reforms. NIAM may conduct and organize visit/study tours of state Government officials to showcase success stories in other states.

6.3.5.5 NIAM will conduct at least one national/International seminar every year with various stakeholders including State Governments/State Agriculture Marketing Boards/Private players/academic Institutes on the topics related to Agri-Market sector.

6.4 PHYSICAL TARGETS & BUDGET OUTLAYS

6.4.1 While no specific targets can be fixed for policy advocacy related work, it shall be given priority. For the purpose of monitoring remaining activities, following physical targets are being prescribed in some of the components and financial requirement during XII Five Year Plan.

Year	Survey & Research	Training & Seminar	Project Consultation	Professional & 0thers	Total (₹ in crores)
2012-13	7	123	8	2	5.00
2013-14	7	125	8	2	5.50
2014-15	8	130	9	2	6.00
2015-16	9	145	9	2	6.50
2016-17	10	152	10	2	7.00
Total	**41**	**675**	**44**	**10**	**30.00**

6.5 PROCEDURE FOR RELEASE OF GRANT

6.5.1 Grant will be released by DAC on demand by NIAM subject to submission of utilisation certificate in respect of every release as per relevant provisions of GFR. Utilisation of unspent funds lying with implementing agency out of funds released in previous financial year, during current financial year, will be subject to revalidation by this Department after providing details of expenditure incurred in previous financial year.

6.6 MONITORING AND EVALUATION

6.6.1 NIAM will convene the meetings of the Executive Committee every quarter and of the Governing Body once annually. In these meeting NIAM will make a detailed presentation on the work undertaken in all of the above areas.

6.6.2 NIAM will provide to Joint Secretary (Marketing), Department of Agriculture & Cooperation, the progress reports on a regular basis in respect of physical and financial achievements by 10th of each month following the month to which the report relates to.

6.6.3 In-house/independent end of year/mid-term evaluation of the sub scheme will be undertaken with the objective of taking suitable corrective measures for its effective implementation.

ABBREVIATIONS

ABD	Agribusiness Development
ADFCs	Agricultural Development Finance Companies
AEZ	Agri – Export Zone
AMA	Agricultural Marketing Adviser to the Government of India
AMI	Agricultural Marketing Infrastructure
AMIGS	Scheme for Development/Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization
APEDA	Agricultural and Processed Food Products Export Development Authority
APGM Act	Agricultural Produce (Grading and Marking) Act, 1937
APMC	Agricultural Produce Market Committee
BIS	Bureau of Indian Standards
CA	Certificate of Authorisation
CAL	Central Agmark Laboratory
CCI	Cotton Corporation of India
CD	Compact Disc
CEO	Chief Executive Officer
CODEX	Codex Alimentarius Commission
CWC	Central Warehousing Corporation
DAC	Department of Agriculture & Cooperation
DGS&D	Directorate General of Supplies and Disposals

DMI	Directorate of Marketing & Inspection
DPR	Detailed Project Report
EU	European Union
FAO	Food and Agriculture Organisation
FCI	Food Corporation of India
FI	Financial Institution
FPO	Farmer Producers Organisation
FSSAI	Food Safety and Standards Authority of India
GBY	Grameen Bhandaran Yojana
GFR	General Financial Rules
GIS	Geographic Information System
GOI	Government of India
HMNEH	Horticultural Mission for North East and Himalayan States
ICAR	Indian Council of Agricultural Research
ICT	Information and Communication Technology
IDBI	Industrial Development Bank of India
IFD	Integrated Finance Division
IIM	Indian Institute of Management
ISAM	Integrated Scheme for Agricultural Marketing
ISO	International Organisation for Standardisation
IT	Information Technology
IVC	Integrated Value Chain
JCI	Jute Corporation of India
JIC	Joint Inspection Committee
JS (M)	Joint Secretary (Marketing)
KVK	Krishi Vigyan Kendra

MANAGE	National Institute for Agricultural Extension Management
MDPs	Management Development Programmes
MIS	Management Information System
MOFPI	Ministry of Food Processing Industries
MOU	Memorandum of Understanding
MPEDA	Marine Products Export Development Authority
MRIN	Marketing Research and Information Network
NABARD	National Bank for Agriculture and Rural Development
NABCONS	NABARD Consultancy Services Pvt. Ltd.
NAFED	National Agricultural Cooperative Marketing Federation of India Ltd.
NCCF	National Consumers Cooperative Federation Ltd.
NCDC	National Cooperative Development Corporation
NCT	National Capital Territory
NDDB	National Dairy Development Board
NEDFi	North Eastern Development Finance Corporation
NER	North Eastern Region
NGOs	Non Governmental Organisations
NHB	National Horticulture Board
NHM	National Horticulture Mission
NHRDF	National Horticultural Research & Development Foundation
NIAM	National Institute of Agricultural Marketing
NIC	National Informatics Centre
NTGF	National Tobacco Growers Federation Ltd.
NWRS	Negotiable Warehouse Receipt System
PCBs	Primary Cooperative Banks
PDF	Project Development Facility

RAL	Regional Agmark Laboratory
RBI	Reserve Bank of India
RCS	Registrar of Cooperative Societies
RIDF	Rural Infrastructure Development Fund
RKVY	Rashtriya Krishi Vikas Yojana
RRB	Regional Rural Bank
SAGF	Strengthening of Agmark Grading Facilities
SAMB	State Agricultural Marketing Board
SAU	State Agriculture University
SBI	State Bank of India
SCARDBs	State Cooperative Agricultural and Rural Development Banks
SCBs	State Cooperative Banks
SFAC	Small Farmers Agribusiness Consortium
SFC	State Financial Corporation
SHG	Self Help Group
SIDBI	Small Industries Development Bank of India
SLBC	State Level Banker's Committee
SRF	Subsidy Reserve Fund
SWC	State Warehousing Corporation
TFO	Total Financial Outlay
TOPIC	Training of Personnel in Cooperative
TRIFED	Tribal Cooperative Marketing Development Federation Ltd.
UNDP	United Nations Development Programme
VCA	Venture Capital Assistance
WDRA	Warehousing Development and Regulatory Authority
WIF	Warehousing Infrastructure Fund



सत्यमेव जयते

Agricultural Marketing Division
Department of Agriculture & Cooperation
Ministry of Agriculture
Krishi Bhavan, New Delhi
Tel: 011-23386235, 23382124 | email: marketingdivision645@gmail.com
website: www.agricoop.nic.in

RBI Priority sector lending-targets and classification

Priority Sector Lending is an important role given by the Reserve Bank of India (RBI) to the banks for providing a specified portion of the bank lending to few specific sectors like agriculture or small scale industries. This is essentially meant for an all-round development of the economy as opposed to focusing only on the financial sector. The RBI, from time to time, issues a number of guidelines/instructions/directives to banks on Priority Sector Lending.

The RBI has revised the guidelines on priority sector lending targets and classification to be followed by scheduled commercial banks with effect from April 2015.

Under the revised guidelines, the distinction between direct and indirect agriculture has been dispensed with and the eligible categories have been refined as

a) Farm credit
b) Agriculture infrastructure
c) Ancillary activities

With this change in eligible categories and activities, loans for food and agro-processing (under ancillary activities category) and loans for storage facilities including cold storage facilities including cold storage facilities (under agricultural infrastructure category) subject to a limit of Rs. 100 crore per borrower from the banking system would be included in priority sector lending.

Further loans (upto a limit of Rs. 15 crore for corporate borrowers and Rs. 10 lakh for individual borrowers) for renewable energy activities such as solar based power generators, biomass based power generators etc. would also be included under priority sector lending.

The Milk Federations / Unions may take advantage of the revised priority sector guidelines while availing finance from banks for the eligible activities. Banks may also be eager to lend for these activities considering that shortfalls in meeting their priority sector lending would involve contribution to certain funds and other action as decided by RBI.

The revised guidelines on priority sector lending targets and classification is attached at **Annex I**.

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2014-15/573
FIDD.CO.Plan.BC.54/04.09.01/2014-15 April 23, 2015

The Chairman / Managing Director/
Chief Executive Officer
[All Scheduled Commercial Banks,
(excluding Regional Rural Banks)]

Dear Sir/ Madam,

PRIORITY SECTOR LENDING-TARGETS AND CLASSIFICATION

An Internal Working Group (IWG) was set up in July 2014 to revisit the existing priority sector lending guidelines. The report of the IWG was placed in the public domain inviting comments. The recommendations of the IWG were examined in the light of the comments / suggestions received from Government of India, banks, and other stakeholders and revised guidelines are being issued in supersession of guidelines mentioned in the Master Circular RPCD.CO.Plan.BC10/04.09.01/2014-15 dated July 1, 2014 on Priority Sector Lending – Targets and Classification.

The salient features of the guidelines are as under:-

(i) Categories of the priority sector: Medium Enterprises, Social Infrastructure and Renewable Energy will form part of priority sector, in addition to the existing categories.

(ii) Agriculture: The distinction between direct and indirect agriculture is dispensed with.

(iii) Small and Marginal Farmers: A target of 8 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, has been prescribed for Small and Marginal Farmers within agriculture, to be achieved in a phased manner *i.e.*, 7 percent by March 2016 and 8 percent by March 2017.

वित्तीय समावेशन और विकास विभाग, केन्द्रीय कार्यालय,10 वी मंजिल, केंद्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग,पोस्ट बॉक्स सं. 10014,मुंबई -400001

Financial Inclusion & Development Dept.,Central Office,10th Floor,Central Office Building,Shahid Bhagat Singh Marg,P.B.No.10014, Mumbai-1
टेली Tel:022-22601000 फैक्स: 91-22-22621011/22610943/22610948 ई -मेल : cgmincfidd@rbi.org.in

(iv) Micro Enterprises: A target of 7.5 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, has been prescribed for Micro Enterprises, to be achieved in a phased manner i.e. 7 percent by March 2016 and 7.5 percent by March 2017.

(v) There is no change in the target of 10 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, for Weaker Sections.

(vi) Target for Foreign Banks: Foreign Banks with 20 branches and above already have priority sector targets and sub-targets for Agriculture and Weaker Sections, which are to be achieved by March 31, 2018 as per the action plans submitted by them and approved by RBI. The sub-targets for Small and Marginal Farmers and Micro Enterprises would be made applicable post 2018 after a review in 2017. Foreign banks with less than 20 branches will move to Total Priority Sector Target of 40 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, on par with other banks by 2019-20, and the sub-targets for these banks, if to be made applicable post 2020, would be decided in due course.

(vii) Bank loans to food and agro processing units will form part of Agriculture.

(viii) Export credit: Export credit upto 32 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, will be eligible as part of priority sector for foreign banks with less than 20 branches. For other banks, the incremental export credit over corresponding date of the preceding year will be reckoned upto 2 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.

(ix) The loan limits for housing loans and MFI loans qualifying under priority sector have been revised.

(x) The priority sector non-achievement will be assessed on quarterly average basis at the end of the respective year from 2016-17 onwards, instead of annual basis as at present.

The revised guidelines are operational with effect from the date of this circular. The priority sector loans sanctioned under the guidelines issued prior to this date will continue to be classified under priority sector till repayment/maturity/renewal.

Yours faithfully,

(A. Udgata)
Principal Chief General Manager

I. Categories under priority sector

(i) Agriculture

(ii) Micro, Small and Medium Enterprises

(iii) Export Credit

(iv) Education

(v) Housing

(vi) Social Infrastructure

(vii) Renewable Energy

(viii) Others

The details of eligible activities under the above categories are specified in paragraph III.

II. Targets /Sub-targets for Priority sector

(i) The targets and sub-targets set under priority sector lending for all scheduled commercial banks operating in India are furnished below:

Categories	**Domestic scheduled commercial banks and Foreign banks with 20 branches and above**	**Foreign banks with less than 20 branches**
Total Priority Sector	40 percent of Adjusted Net Bank Credit [ANBC defined in sub paragraph (iii)] or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher. Foreign banks with 20 branches and above have to achieve the Total Priority Sector Target within a maximum period of five years starting from April 1, 2013 and ending on March 31, 2018 as per the action plans submitted by them and approved by RBI.	40 percent of Adjusted Net Bank Credit [ANBC defined in sub paragraph (iii)] or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher; to be achieved in a phased manner by 2020 as indicated in sub paragraph (ii) below.
Agriculture	18 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher. Within the 18 percent target for agriculture, a target of 8 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher is prescribed for Small and Marginal Farmers, to be achieved in a phased manner *i.e.,* **7 per cent by March 2016 and 8 per cent by March 2017.** Foreign banks with 20 branches and	Not applicable

	above have to achieve the Agriculture Target within a maximum period of five years starting from April 1, 2013 and ending on March 31, 2018 as per the action plans submitted by them and approved by RBI. The sub-target for Small and Marginal farmers would be made applicable post 2018 after a review in 2017.	
Micro Enterprises	7.5 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher to be achieved in a phased manner i.e. **7 per cent by March 2016 and 7.5 per cent by March 2017.** The sub-target for Micro Enterprises for foreign banks with 20 branches and above would be made applicable post 2018 after a review in 2017.	Not Applicable
Advances to Weaker Sections	10 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher. Foreign banks with 20 branches and above have to achieve the Weaker Sections Target within a maximum period of five years starting from April 1, 2013 and ending on March 31, 2018 as per the action plans submitted by them and approved by RBI.	Not Applicable

(ii) The Total Priority Sector target of 40 percent for foreign banks with less than 20 branches has to be achieved in a phased manner as under:-

Financial Year	The Total Priority Sector as percentage of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher
2015-16	32
2016-17	34
2017-18	36
2018-19	38
2019-20	40

The additional priority sector lending target of 2 percent of ANBC each year from 2016-17 to 2019-20 has to be achieved by lending to sectors other than exports. The sub targets for these banks, if to be made applicable post 2020, would be decided in due course.

(iii) The computation of priority sector targets/sub-targets achievement will be based on the ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposures, whichever is higher, as on the corresponding date of the preceding year. For the purpose of priority sector lending, ANBC denotes the outstanding Bank Credit in India [As prescribed in item No.VI of Form

'A' under Section 42 (2) of the RBI Act, 1934] minus bills rediscounted with RBI and other approved Financial Institutions plus permitted non SLR bonds/debentures under Held to Maturity (HTM) category plus other investments eligible to be treated as part of priority sector lending (e.g. investments in securitised assets). The outstanding deposits under RIDF and other funds with NABARD, NHB and SIDBI in lieu of non-achievement of priority sector lending targets/sub-targets will form part of ANBC. Advances extended in India against the incremental FCNR (B)/NRE deposits, qualifying for exemption from CRR/SLR requirements, as per the Reserve Bank's circulars DBOD.No.Ret.BC.36/12.01.001/2013-14 dated August 14, 2013 read with DBOD.No.Ret.BC.93/12.01.001/2013-14 dated January 31, 2014 and DBOD mailbox clarification issued on February 6, 2014 will be excluded from the ANBC for computation of priority sector lending targets, till their repayment. The eligible amount for exemption on account of issuance of long-term bonds for infrastructure and affordable housing as per Reserve Bank's circular DBOD.BP.BC.No.25/08.12.014/2014-15 dated July 15, 2014 will also be excluded from the ANBC for computation of priority sector lending targets. For the purpose of calculation of Credit Equivalent Amount of Off-Balance Sheet Exposures, banks may be guided by the Master Circular on Exposure Norms issued by our Department of Banking Regulation.

Computation of Adjusted Net Bank Credit (ANBC)

Bank Credit in India [As prescribed in item No.VI of Form 'A' under Section 42 (2) of the RBI Act, 1934].	I
Bills Rediscounted with RBI and other approved Financial Institutions	II
Net Bank Credit (NBC)*	III (I-II)
Bonds/debentures in Non-SLR categories under HTM category+ other investments eligible to be treated as priority sector +Outstanding Deposits under RIDF and other eligible funds with NABARD, NHB and SIDBI on account of priority sector shortfall + outstanding PSLCs	IV
Eligible amount for exemptions on issuance of long-term bonds for infrastructure and affordable housing as per circular DBOD.BP.BC.No.25/08.12.014/2014-15 dated July 15, 2014.	V
Eligible advances extended in India against the incremental FCNR (B)/NRE deposits, qualifying for exemption from CRR/SLR requirements.	VI
ANBC	III+IV-V-VI

* For the purpose of priority sector computation only. Banks should not deduct / net any amount like provisions, accrued interest, etc. from NBC.

It has been observed that some banks are subtracting prudential write off at Corporate/Head Office level while reporting Bank Credit as above. In such cases it must be ensured that bank credit to priority sector and all other sub-sectors so written off should also be subtracted category wise from priority sector and sub-target achievement.

All types of loans, investments or any other items which are treated as eligible for classification under priority sector target/sub-target achievement should also form part of Adjusted Net Bank Credit.

III. Description of the eligible categories under priority sector

1. Agriculture

The present distinction between direct and indirect agriculture is dispensed with. Instead, the lending to agriculture sector has been re-defined to include (i) Farm Credit (which will include short-term crop loans and medium/long-term credit to farmers) (ii) Agriculture Infrastructure and (iii) Ancillary Activities. A list of eligible activities under the three sub-categories is indicated below:

1.1 Farm credit	A. Loans to individual farmers [including Self Help Groups (SHGs) or Joint Liability Groups (JLGs), i.e. groups of individual farmers, provided banks maintain disaggregated data of such loans], directly engaged in Agriculture and Allied Activities, *viz.,* dairy, fishery, animal husbandry, poultry, bee-keeping and sericulture. This will include: (i) Crop loans to farmers, which will include traditional/non-traditional plantations and horticulture, and, loans for allied activities. (ii) Medium and long-term loans to farmers for agriculture and allied activities (*e.g*. purchase of agricultural implements and machinery, loans for irrigation and other developmental activities undertaken in the farm, and developmental loans for allied activities.) (iii) Loans to farmers for pre and post-harvest activities, *viz*., spraying, weeding, harvesting, sorting, grading and transporting of their own farm produce. (iv) Loans to farmers up to ₹50 lakh against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months. (v) Loans to distressed farmers indebted to non-institutional lenders. (vi) Loans to farmers under the Kisan Credit Card Scheme. (vii) Loans to small and marginal farmers for purchase of land for agricultural purposes. B. Loans to corporate farmers, farmers' producer organizations/companies of individual farmers, partnership firms and

	co-operatives of farmers directly engaged in Agriculture and Allied Activities, *viz*., dairy, fishery, animal husbandry, poultry, bee-keeping and sericulture up to an aggregate limit of ₹2 crore per borrower. This will include: (i) Crop loans to farmers which will include traditional/non-traditional plantations and horticulture, and, loans for allied activities. (ii) Medium and long-term loans to farmers for agriculture and allied activities (*e.g*. purchase of agricultural implements and machinery, loans for irrigation and other developmental activities undertaken in the farm, and developmental loans for allied activities.) (iii) Loans to farmers for pre and post-harvest activities, *viz*., spraying, weeding, harvesting, sorting, grading and transporting of their own farm produce. (iv) Loans up to ₹50 lakh against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months.
1.2. Agriculture infrastructure	i) Loans for construction of storage facilities (warehouses, market yards, godowns and silos) including cold storage units/ cold storage chains designed to store agriculture produce/products, irrespective of their location. ii) Soil conservation and watershed development. iii) Plant tissue culture and agri-biotechnology, seed production, production of bio-pesticides, bio-fertilizer, and vermi composting. For the above loans, an aggregate sanctioned limit of ₹100 crore per borrower from the banking system, will apply.
1.3.Ancillary activities	(i) Loans up to ₹5 crore to co-operative societies of farmers for disposing of the produce of members. (ii) Loans for setting up of Agriclinics and Agribusiness Centres. (iii) Loans for Food and Agro-processing up to an aggregate sanctioned limit of ₹100 crore per borrower from the banking system. (iv) Bank loans to Primary Agricultural Credit Societies (PACS), Farmers' Service Societies (FSS) and Large-sized Adivasi Multi-Purpose Societies (LAMPS) for on-lending to agriculture. (v) Loans sanctioned by banks to MFIs for on-lending to agriculture sector as per the conditions specified in paragraph IX of this circular (vi) Outstanding deposits under RIDF and other eligible funds with NABARD on account of priority sector shortfall.

For the purpose of computation of 7 percent/ 8 percent target, Small and Marginal Farmers will include the following:-

- Farmers with landholding of up to 1 hectare are considered as Marginal Farmers. Farmers with a landholding of more than 1 hectare and upto 2 hectares are considered as Small Farmers.
- Landless agricultural labourers, tenant farmers, oral lessees and share-croppers.
- Loans to Self Help Groups (SHGs) or Joint Liability Groups (JLGs), *i.e.* groups of individual Small and Marginal farmers directly engaged in Agriculture and Allied Activities, provided banks maintain disaggregated data of such loans.
- Loans to farmers' producer companies of individual farmers, and co-operatives of farmers directly engaged in Agriculture and Allied Activities, where the membership of Small and Marginal Farmers is not less than 75 per cent by number and whose land-holding share is also not less than 75 per cent of the total land-holding.

2. Micro, Small and Medium Enterprises (MSMEs)

2.1. The limits for investment in plant and machinery/equipment for manufacturing / service enterprise, as notified by Ministry of Micro, Small and Medium Enterprises, vide S.O.1642(E) dated September 9, 2006 are as under:-

Manufacturing Sector	
Enterprises	**Investment in plant and machinery**
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees
Service Sector	
Enterprises	**Investment in equipment**
Micro Enterprises	Does not exceed ten lakh rupees
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees

Bank loans to Micro, Small and Medium Enterprises, for both manufacturing and service sectors are eligible to be classified under the priority sector as per the following norms:

2.2. Manufacturing Enterprises

The Micro, Small and Medium Enterprises engaged in the manufacture or production of goods to any industry specified in the first schedule to the Industries (Development and

Regulation) Act, 1951 and as notified by the Government from time to time. The Manufacturing Enterprises are defined in terms of investment in plant and machinery.

2.3. Service Enterprises

Bank loans up to ₹5 crore per unit to Micro and Small Enterprises and ₹10 crore to Medium Enterprises engaged in providing or rendering of services and defined in terms of investment in equipment under MSMED Act, 2006.

2.4. Khadi and Village Industries Sector (KVI)

All loans to units in the KVI sector will be eligible for classification under the sub-target of 7 percent /7.5 percent prescribed for Micro Enterprises under priority sector.

2.5. Other Finance to MSMEs

(i) Loans to entities involved in assisting the decentralized sector in the supply of inputs to and marketing of outputs of artisans, village and cottage industries.

(ii) Loans to co-operatives of producers in the decentralized sector viz. artisans, village and cottage industries.

(iii) Loans sanctioned by banks to MFIs for on-lending to MSME sector as per the conditions specified in paragraph IX of this circular.

(iv) Credit outstanding under General Credit Cards (including Artisan Credit Card, Laghu Udyami Card, Swarojgar Credit Card, and Weaver's Card etc. in existence and catering to the non-farm entrepreneurial credit needs of individuals).

(v) Outstanding deposits with SIDBI on account of priority sector shortfall.

2.6. Considering that the MSMED Act, 2006 does not provide for any sub-categorization within the definition of micro enterprises and that the sub-target for lending to micro enterprises has been fixed, the current sub-categorization within the definition of micro enterprises in the existing guidelines is dispensed with.

2.7. To ensure that MSMEs do not remain small and medium units merely to remain eligible for priority sector status, the MSME units will continue to enjoy the priority sector lending status up to three years after they grow out of the MSME category concerned.

3. Export Credit

The Export Credit extended as per the details below would be classified as priority sector.

Domestic banks	**Foreign banks with 20 branches and above**	**Foreign banks with less than 20 branches**
Incremental export credit over corresponding date of the preceding year, up to 2 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, effective from April 1, 2015 subject to a sanctioned limit of ₹25 crore per borrower to units having turnover of up to ₹100 crore.	Incremental export credit over corresponding date of the preceding year, up to 2 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, effective from April 1, 2017 (As per their approved plans, foreign banks with 20 branches and above are allowed to count certain percentage of export credit limit as priority sector till March 2016).	Export credit will be allowed up to 32 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.

Export credit includes pre-shipment and post shipment export credit (excluding off-balance sheet items) as defined in Master Circular on Rupee / Foreign Currency Export Credit and Customer Service to Exporters issued by our Department of Banking Regulation.

4. Education

Loans to individuals for educational purposes including vocational courses upto ₹ 10 lakh irrespective of the sanctioned amount will be considered as eligible for priority sector.

5. Housing

(i) Loans to individuals up to ₹ 28 lakh in metropolitan centres (with population of ten lakh and above) and loans up to ₹ 20 lakh in other centres for purchase/construction of a dwelling unit per family provided the overall cost of the dwelling unit in the metropolitan centre and at other centres should not exceed ₹ 35 lakh and ₹ 25 lakh respectively. The housing loans to banks' own employees will be excluded. As housing loans which are backed by long term bonds are exempted from ANBC, banks should either include such housing loans to individuals up to ₹ 28 lakh in metropolitan centres and ₹ 20 lakh in other centres under priority sector or take benefit of exemption from ANBC, but not both.

(ii) Loans for repairs to damaged dwelling units of families up to ₹ 5 lakh in metropolitan centres and up to ₹ 2 lakh in other centres.

(iii) Bank loans to any governmental agency for construction of dwelling units or for slum clearance and rehabilitation of slum dwellers subject to a ceiling of ₹ 10 lakh per dwelling unit.

(iv) The loans sanctioned by banks for housing projects exclusively for the purpose of construction of houses for economically weaker sections and low income groups, the total cost of which does not exceed ₹ 10 lakh per dwelling unit. For the purpose of identifying the economically weaker sections and low income groups, the family income limit of ₹ 2 lakh per annum, irrespective of the location, is prescribed.

(v) Bank loans to Housing Finance Companies (HFCs), approved by NHB for their refinance, for on-lending for the purpose of purchase/construction/reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹ 10 lakh per borrower.

The eligibility under priority sector loans to HFCs is restricted to five percent of the individual bank's total priority sector lending, on an ongoing basis. The maturity of bank loans should be co-terminus with average maturity of loans extended by HFCs. Banks should maintain necessary borrower-wise details of the underlying portfolio.

(vi) Outstanding deposits with NHB on account of priority sector shortfall.

6. Social infrastructure

Bank loans up to a limit of ₹ 5 crore per borrower for building social infrastructure for activities namely schools, health care facilities, drinking water facilities and sanitation facilities in Tier II to Tier VI centres.

7. Renewable Energy

Bank loans up to a limit of ₹ 15 crore to borrowers for purposes like solar based power generators, biomass based power generators, wind mills, micro-hydel plants and for non-conventional energy based public utilities *viz*. street lighting systems, and remote village electrification. For individual households, the loan limit will be ₹ 10 lakh per borrower.

8. Others

8.1. Loans not exceeding ₹ 50,000/- per borrower provided directly by banks to individuals and their SHG/JLG, provided the individual borrower's household annual income in rural areas does not exceed ₹ 100,000/- and for non-rural areas it does not exceed ₹ 1,60,000/-.

8.2. Loans to distressed persons [other than farmers already included under III (1.1) A (v)] not exceeding ₹ 100,000/- per borrower to prepay their debt to non-institutional lenders.

8.3. Overdrafts extended by banks upto ₹ 5,000/- under Pradhan Mantri Jan-DhanYojana (PMJDY) accounts provided the borrowers household annual income does not exceed ₹ 100,000/- for rural areas and ₹ 1,60,000/- for non-rural areas.

8.4. Loans sanctioned to State Sponsored Organisations for Scheduled Castes/ Scheduled Tribes for the specific purpose of purchase and supply of inputs and/or the marketing of the outputs of the beneficiaries of these organisations.

IV. Weaker Sections

Priority sector loans to the following borrowers will be considered under Weaker Sections category:-

No.	Category
1.	Small and Marginal Farmers
2.	Artisans, village and cottage industries where individual credit limits do not exceed ₹ 1 lakh
3.	Beneficiaries under Government Sponsored Schemes such as National Rural Livelihoods Mission (NRLM), National Urban Livelihood Mission (NULM) and Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)
4.	Scheduled Castes and Scheduled Tribes
5.	Beneficiaries of Differential Rate of Interest (DRI) scheme
6.	Self Help Groups
7.	Distressed farmers indebted to non-institutional lenders
8.	Distressed persons other than farmers, with loan amount not exceeding ₹ 1 lakh per borrower to prepay their debt to non-institutional lenders
9.	Individual women beneficiaries up to ₹ 1 lakh per borrower
10.	Persons with disabilities
11.	Overdrafts upto ₹ 5,000/- under Pradhan Mantri Jan-DhanYojana (PMJDY) accounts, provided the borrowers' household annual income does not exceed ₹ 100,000/- for rural areas and ₹ 1,60,000/- for non-rural areas
12.	Minority communities as may be notified by Government of India from time to time

V. Investments by banks in securitised assets

(i) Investments by banks in securitised assets, representing loans to various categories of priority sector, except 'others' category, are eligible for classification under respective categories of priority sector depending on the underlying assets provided:

(a) the securitised assets are originated by banks and financial institutions and are eligible to be classified as priority sector advances prior to securitisation and fulfil the Reserve Bank of

India guidelines on securitisation.

(b) the all inclusive interest charged to the ultimate borrower by the originating entity should not exceed the Base Rate of the investing bank plus 8 percent per annum.

The investments in securitised assets originated by MFIs, which comply with the guidelines in Paragraph IX of this circular are exempted from this interest cap as there are separate caps on margin and interest rate.

(ii) Investments made by banks in securitised assets originated by NBFCs, where the underlying assets are loans against gold jewellery, are not eligible for priority sector status.

VI. Transfer of Assets through Direct Assignment /Outright purchases

(i) Assignments/Outright purchases of pool of assets by banks representing loans under various categories of priority sector, except the 'others' category, will be eligible for classification under respective categories of priority sector provided:

(a) the assets are originated by banks and financial institutions which are eligible to be classified as priority sector advances prior to the purchase and fulfil the Reserve Bank of India guidelines on outright purchase/assignment.

(b) the eligible loan assets so purchased should not be disposed of other than by way of repayment.

(c) the all inclusive interest charged to the ultimate borrower by the originating entity should not exceed the Base Rate of the purchasing bank plus 8 percent per annum.

The Assignments/Outright purchases of eligible priority sector loans from MFIs, which comply with the guidelines in Paragraph IX of this circular are exempted from this interest rate cap as there are separate caps on margin and interest rate.

(ii) When the banks undertake outright purchase of loan assets from banks/ financial institutions to be classified under priority sector, they must report the nominal amount actually disbursed to end priority sector borrowers and not the premium embedded amount paid to the sellers.

(iii) Purchase/ assignment/investment transactions undertaken by banks with NBFCs, where the underlying assets are loans against gold jewellery, are not eligible for priority sector status.

VII. Inter Bank Participation Certificates

Inter Bank Participation Certificates (IBPCs) bought by banks, on a risk sharing basis, are eligible for classification under respective categories of priority sector, provided the underlying assets are eligible to be categorized under the respective categories of priority sector and the banks fulfil the Reserve Bank of India guidelines on IBPCs.

VIII. Priority Sector Lending Certificates

The outstanding priority sector lending certificates (after the guidelines are issued in this regard by the Reserve Bank of India) bought by the banks will be eligible for classification under respective categories of priority sector provided the assets are originated by banks, and are eligible to be classified as priority sector advances and fulfil the Reserve Bank of India guidelines on priority sector lending certificates.

IX. Bank loans to MFIs for on-lending

(a) Bank credit to MFIs extended for on-lending to individuals and also to members of SHGs / JLGs will be eligible for categorisation as priority sector advance under respective categories viz., Agriculture, Micro, Small and Medium Enterprises, and 'Others', as indirect finance, provided not less than 85 percent of total assets of MFI (other than cash, balances with banks and financial institutions, government securities and money market instruments) are in the nature of "qualifying assets". In addition, aggregate amount of loan, extended for income generating activity, should be not less than 50 percent of the total loans given by MFIs.

(b) A "qualifying asset" shall mean a loan disbursed by MFI, which satisfies the following criteria:

(i) The loan is to be extended to a borrower whose household annual income in rural areas does not exceed ₹ 1,00,000/- while for non-rural areas it should not exceed ₹ 1,60,000/-.

(ii) Loan does not exceed ₹ 60,000/- in the first cycle and ₹ 100,000/- in the subsequent cycles.

(iii) Total indebtedness of the borrower does not exceed ₹ 1,00,000/-.

(iv) Tenure of loan is not less than 24 months when loan amount exceeds ₹ 15,000/- with right to borrower of prepayment without penalty.

(v) The loan is without collateral.

(vi) Loan is repayable by weekly, fortnightly or monthly installments at the choice of the borrower.

(c) Further, the banks have to ensure that MFIs comply with the following caps on margin and interest rate as also other ‘pricing guidelines’, to be eligible to classify these loans as priority sector loans.

(i) Margin cap: The margin cap should not exceed 10 percent for MFIs having loan portfolio exceeding ₹ 100 crore and 12 percent for others. The interest cost is to be calculated on average fortnightly balances of outstanding borrowings and interest income is to be calculated on average fortnightly balances of outstanding loan portfolio of qualifying assets.

(ii) Interest cap on individual loans: With effect from April 1, 2014, interest rate on individual loans will be the average Base Rate of five largest commercial banks by assets multiplied by 2.75 per annum or cost of funds plus margin cap, whichever is less. The average of the Base Rate shall be advised by Reserve Bank of India.

(iii) Only three components are to be included in pricing of loans viz., (a) a processing fee not exceeding 1 percent of the gross loan amount, (b) the interest charge and (c) the insurance premium.

(iv) The processing fee is not to be included in the margin cap or the interest cap.

(v) Only the actual cost of insurance i.e. actual cost of group insurance for life, health and livestock for borrower and spouse can be recovered; administrative charges may be recovered as per IRDA guidelines.

(vi) There should not be any penalty for delayed payment.

(vii) No Security Deposit/ Margin are to be taken.

(d) The banks should obtain from MFI, at the end of each quarter, a Chartered Accountant’s Certificate stating, inter-alia, that the criteria on (i) qualifying assets, (ii) the aggregate amount of loan, extended for income generation activity, and (iii) pricing guidelines are followed.

X. Monitoring of Priority Sector Lending targets

To ensure continuous flow of credit to priority sector, there will be more frequent monitoring of priority sector lending compliance of banks on ‘quarterly’ basis instead of annual basis as of now. The data on priority sector advances have to be furnished by banks at quarterly and annual intervals as per revised reporting formats, the guidelines for which will be issued separately.

XI. Non-achievement of Priority Sector targets

Scheduled Commercial Banks having any shortfall in lending to priority sector shall be allocated amounts for contribution to the Rural Infrastructure Development Fund (RIDF) established with NABARD and other Funds with NABARD/NHB/SIDBI, as decided by the Reserve Bank from time to time. For the year 2015-16, the shortfall in achieving priority sector target/sub-targets will be assessed based on the position as on March 31, 2016. From financial year 2016-17 onwards, the achievement will be arrived at the end of financial year based on the average of priority sector target /sub-target achievement as at the end of each quarter.

The interest rates on banks' contribution to RIDF or any other Funds, tenure of deposits, etc. shall be fixed by Reserve Bank of India from time to time.

The misclassifications reported by the Reserve Bank's Department of Banking Supervision would be adjusted/ reduced from the achievement of that year, to which the amount of declassification/ misclassification pertains, for allocation to various funds in subsequent years.

Non-achievement of priority sector targets and sub-targets will be taken into account while granting regulatory clearances/approvals for various purposes.

XII. Common guidelines for priority sector loans

Banks should comply with the following common guidelines for all categories of advances under the priority sector.

1. Rate of interest

The rates of interest on bank loans will be as per directives issued by our Department of Banking Regulation from time to time.

2. Service charges

No loan related and adhoc service charges/inspection charges should be levied on priority sector loans up to ₹ 25,000.

3. Receipt, Sanction/Rejection/Disbursement Register

A register/ electronic record should be maintained by the bank, wherein the date of receipt, sanction/rejection/disbursement with reasons thereof, etc., should be recorded. The register/electronic record should be made available to all inspecting agencies.

4. Issue of Acknowledgement of Loan Applications

Banks should provide acknowledgement for loan applications received under priority sector loans. Bank Boards should prescribe a time limit within which the bank communicates its decision in writing to the applicants.

XIII. Amendments

These guidelines are subject to any further instructions that may be issued by the RBI from time to time.

XIV. Definitions/Clarifications

1. On-lending: Loans sanctioned by banks to eligible intermediaries for onward lending only for creation of priority sector assets. The average maturity of priority sector assets thus created should be broadly co-terminus with maturity of the bank loan.

2. Contingent liabilities/off-balance sheet items do not form part of priority sector target achievement. However, foreign banks with less than 20 branches have an option to reckon the credit equivalent of off-balance sheet items, extended to borrowers for eligible priority sector activities, along with priority sector loans for the purpose of computation of priority sector target achievement. In that case, the credit equivalent of all off-balance sheet items (both priority sector and non-priority sector excluding interbank) should be added to the ANBC in the denominator for computation of Priority Sector Lending targets.

3. Off-balance sheet interbank exposures are excluded for computing Credit Equivalent of Off -Balance Sheet Exposures for the priority sector targets.

4. The term "all inclusive interest" includes interest (effective annual interest), processing fees and service charges.

5. Banks should ensure that loans extended under priority sector are for approved purposes and the end use is continuously monitored. The banks should put in place proper internal controls and systems in this regard.

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