

ABSTRACT

Agriculture - Implementation of Mission on Sustainable Dryland Agriculture (MSDA Project) - Permission for establishment of 50 Value Addition Machinery Units in 50 clusters by giving preference to active Farmer Producers Organisation/Farmer Producers Group on pilot basis during 2017-18 - Orders - Issued.

Agriculture (AE1) Department

G.O.(Ms) No.22

Dated:02.02.2018 திருவள்ளுவராண்டு 2049 தை திங்கள் 20–ஆம் நாள் Read

1. G.O.(Ms)No.14, Agriculture (DPAP) Department, dated 27.01.2017 2. G.O.(Ms)No.162, Agriculture (DPAP) Department, dated 29.06.2017

ORDER:

In the Government order first read above, orders have been issued among others for administrative sanction and financial sanction for implementation of "Mission on Sustainable Dry land Agriculture (MSDA)" Project for development of 1000 dry land clusters @ 1000 Ha of dry land per cluster in three phases (200 clusters in 2016-17 and 2017-18, 400 clusters in 2017-18 and 2018-19 and 400 clusters in 2018-19 and 2019-20) for a total outlay of Rs.802.90 crore (Rs.300.00 crore from State Government fund, Rs.240.00 crore from NABARD fund and Rs.262.90 Crore from Dovetailed Schemes) within a period of 4 years from 2016-17 to 2019-20.

2. In the Government order second read above, Under Mission on Sustainable Dry land Agriculture, among others the State Government have sanctioned a sum of Rs.20.00 Crores for establishment of Value Addition machinery units in 200 clusters @Rs.10 Lakhs per cluster (Rs.4 Lakhs for nodal Primary Agricultural Cooperative Credit Societies (PACCS) and Rs.6 Lakhs for active farmers club) for setting up of micro enterprise like Dhal mill, Oil expeller, millet processing units, etc., as per local needs.

- 3. In this regard, a series of discussions were held with Registrar of Cooperative Societies, Director of Agriculture and Chief Engineer (Agricultural Engineering) for finalizing the machinery needed, mode of purchase, venue for installation, modality to run the machinery in a profitable manner and sharing of expenditure and profits. Initially, it was proposed to establish the entire upnit in PACCS godown or in the nearest Government buildings at a total cost of Rs.10 Lakhs with an agreement with PACCS and farmers club. But, on perusal of each nodal PACCS identified in 200 clusters, it was ascertained from the Registrar of Cooperative Societies that presently, there has no adequate working space and storage space available in the existing PACCS godown / premises for setting up of the value addition units.
- 4. Hence, the final round of discussion was held on 03.01.2018 with the same stakeholders. During the discussion, it has been proposed to give preference to interested and active FPOs or Farmer Producer Groups who are interested to set up micro enterprise within the cluster, on priority basis. Further, on a partial modification of G.O first read above, It is proposed to establish 50 Value addition machinery units in the potential areas under Mission on Sustainable Dry land Agriculture (MSDA) for a subsidy value of Rs.10 lakh per cluster (or 75% of the cost of the project whichever is lesser) out of 200 clusters as already provided in G.Os read above through Farmers Producers Organizations (FPO) or Farmers Producers Groups (FPG) (Formed through Collective farming) (previously it has been proposed as Rs.4.00 lakh for PACCS and Rs.6.00 lakh for FPO/FPG). In 2017-18, it is proposed to establish 50 clusters and remaining clusters will be taken up in 2018-19 and subsequently extend the component in the remaining clusters based on the response obtained from these 50 units. It has been considered to see the response and then decided to upscale it. The component under MSDA is to be ultimately funded by NABARD as per G.O.first read above.
- 5. The Government after careful consideration and on partial modification of G.Os first and second read above accord permission for establishment of value addition machinery units in 50 clusters for the year 2017-18 in the potential areas by giving preference to active Farmers Producers Organization (FPO)/Farmers Producers Group on pilot basis under MSDA for the subsidy value of Rs.10 lakh per cluster or 75% of cost of the project whichever is lesser out of 200 clusters already provided in the G.O. read above. The remaining clusters will be taken up in 2018-19. The machinery will be put through Farmer Producer Organization (FPO) (or) Farmers Producers Group (FPG)(Formed through collective Farming)
- 6. The guidelines for implementation of the 50 clusters under MSDA during 2017-18 are indicated in the annexure to this order.

7. This orders issues with the concurrence of Finance Department vide its U.O.No.5279/Agriculture /2018, dated 02.02.2018.

//BY ORDER OF THE GOVERNOR//

GAGANDEEP SINGH BEDI AGRICULTURAL PRODUCTION COMMISSIONER AND PRINCIPAL SECRETARY TO GOVERNMENT

To

The Director of Agriculture, Chepauk, Chennai -5,

The Commissioner of Horticulture & Plantation Crops, Chennai-5,

The Director of Agricultural Marketing & Agri Business, Chennai -32,

The Director, Animal Husbandry & Veterinary Services, Chennai -3,

The Registrar of Cooperative Societies, Chennai - 10.

The Chief Engineer (Agricultural Engineering), Chennai-35.

The Chief Executive Officer, State Level Nodal Agency, Tamil Nadu Watershed Development Agency, Chennai-32,

All District Collectors,

The Registrar, Tamil Nadu Agricultural University, Coimbaore-32,

The Deputy General Manager, NABARD, Chennai -34,

The Pay and Accounts Officer (East), Chennai-8,

The Treasury Officers concerned,

The Principal Accountant General, Chennai -18 (By name)

The Accountant General (G&SSA), Chennai-18,

The Principal Accountant General (E&RSA), Chennai -18,

The Accountant General (Audit), Chennai-18 (By name),

The Principal Accountant General (AAD), (F&A Cell)/Audit I/II, 361, Annasalai, Chennai -18,

Copy to

The Secretary to Hon'ble Chief Minister, Chennai -9,

The Special Personal Assistant to Hon'ble Miniser (Agriculture) Chennai -9,

The Private Secretary to Agricultural Production Commissioner and Principal Secretary to Government, Chennai -9,

The Private Secretary to Secretary Animal Husbandry, Dairying and Fisheries Department, Chennai -9,

The Private Secretary to Additional Chief Secretary Finance Department, Chennai -9,

The Private Secretary to Principal Secretary, CF&CP Department, Chennai -9, The Finance (Agri/BG I/BG II/DPAP) Department, Chennai -9,

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/Forwarded by Order/

SECTION OFFICER

02/02/18

Annexure

G.O.(Ms). No.22, Agriculture (AE1) Department, dated 02.02.2018 GUIDELINES FOR ESTABLISHMENT OF VALUE ADDED MACHINERY UNITS UNDER MSDA

I. Assistance for setting up of Value addition machiney unit:

A subsidy assistance of 75% of cost of machinery (including GST) is proposed, subject to a maximum of Rs.10 Lakhs for setting up of value addition machinery unit in a cluster.

II. Identification of beneficiaries for setting up of value addition machinery unit in the cluster:

- Cluster Development Team (CDT) shall identify the beneficiaries by giving preference in the order of priority as given below:
 - (i) Any active and willing Farmers Producer Organisation (FPO) within the cluster area /block / vicinity of the cluster will get the first priority. The FPOs formed by NABARAD shall also be considered.
 - (ii) Any Active Farmers Producer Group (FPG) formed through Collective Farming existing in the cluster or in the Block / vicinity will get the second priority.

III. Infrastructure facility:

The Farmers Producer Organisation (FPO)/ Farmers Producer Group (FPG) selected for the purpose shall have required infrastructure facilities viz., building (owned / rental / leased) with adequate working space and storage space for raw material and finished produce, EB connection (single phase / 3 phase) required for running the machineries. They shall be willing to contribute the non-subsidy portion (i.e. 25% of the total cost of the detailed proposal). The FPO/FPG will prepare a detailed proposal seeking funds of 75% of the total cost or Rs.10 Lakhs inclusive of GST, whichever is less. The Working Capital should not exceed 20% of the total Project cost.

If there is any common infrastructure or Govt. building available within the cluster and suitable for setting up of micro enterprise, then the Block Development Team (BDT) in co-ordination with the District Level Committee (headed by District Collector) shall facilitate to rent out the building for the identified FPG/FPO at nominal rent.

IV. Identification of Machinery:

1. Machinery identification shall be based on the predominant crops grown in the cluster area and the level of value addition proposed to be taken up for the produce. In other words, only

such machinery is to be put up in the cluster which will be helpful for Value Addition of major crops grown in the Dry Land clusters in the region.

- 2. AED officials shall help the identified FPG/FPO in selecting the machinery for the cluster from the list of empanelled and approved value addition machinery by AED.
- 3. Preferably, Combined Machinery Package including all kinds of machinery (from cleaning, grading to packing machinery) suitable for different crops for value addition shall be proposed so that a multipurpose value addition machinery unit shall be established. This will facilitate running of the value addition center using the machinery for minimum of 8 to 9 months in a year, so that it can be the utilized for value addition of products from various crops.
- 4. In order to increase the capacity of the unit, taking into account the demand prevailing in a cluster, more than one unit of particular machinery shall also be permitted if necessary, for a value addition unit to be set up under the scheme in a cluster. The Value Added Machinery should be preferably put in such location of the cluster that facilitates easy marketability of the End-produce.
- 5. If required more than one FPO/FPG in neighbouring clusters can be permitted to join together for setting up a **bigger value** addition machinery unit if the cost in setting up a single unit is more than Rs.10 lakhs. The allocation for the respective clusters can be pooled together for the purpose.

V. Approval of the identified FPG/FPO:

- 1. The Cluster Development Team will take the lead role in identification of the FPO/FPG who will run the Value Addition Machinery Unit in the cluster. The JD (Agriculture) should, through District Collector, issue a Press release informing the concerned FPOs/FPG to apply to the Cluster Development Team (CDT) for setting up of Value Addition Machinery Unit based on the guidelines stated above. This should also be highlighted in the Agriculture Grievance Day meeting for the benefit of farmers. The identified and interested FPO/FPG shall submit the willingness application to the Cluster Development Team headed by the Agricultural Officer concerned who will recommend to the Assistant Executive Engineer (AE) of the respective sub-division for setting up of micro enterprise in the cluster area with the details of machinery to be purchased with all relevant documents viz., registration of the FPO/FPG.
- 2. The Assistant Executive Engineer (AEE) concerned shall assess the list of the value addition machinery proposed, taking in to account of demand in the cluster after field verification of the infrastructure available

with the Farmers Producers Organisation(FPO)/ Farmers Producer Group (FPG) and then forward the application to the **District Committee for approval.**

3. The application of the selected FPO/FPG along with the list of the proposed machinery for setting up of the value addition Unit will have to be got approved from the District Level Committee headed by the District Collector comprising of members viz., Joint Director of Agriculture, Executive Engineer (AED) and Deputy Director (Agricultural Marketing & Agri Business).

VI. Issue of Work Order:

The Assistant Executive Engineer (AEE) of the concerned sub division shall issue work order to the empanelled company for the supply and installation of machinery on getting the following documents from the FPO/ FPG approved for the setting up of value addition machinery unit.

- 1. Resolution of the FPO / FPG concerned.
- 2. FPO / FPG shall furnish the document for registration. The machinery should be supplied and installed by the company within 30 days from the date of issue of work order.

VII. Mode of Purchase of Machinery:

- 1. Agricultural Engineering Department has to empanel the firms and approve the rates for the value addition machinery.
- 2. Empanelled list along with the rates shall be communicated to the districts so that the identified FPO/ FPG shall have the choice of the company from which the machinery could be purchased.
- 3. The machinery supplied should have a minimum warranty period of one year.
- 4. Adequate training has to be imparted to the farmers group /operator by the company which supplies the machinery.

VIII. Payment:

- 1. On supply and installation of the machinery by the approved company, AEE concerned shall inspect the unit and after getting satisfactory performance report of the running of the unit from the FPG / FPOs, shall recommend the invoice of the company for payment to the Cluster Development Team (CDT).
- 2. Payment of 95% on the cost of the machinery (including the FPO / FPG's own funds) shall be made after installation and successful commission of the unit. The balance 5% withheld amount shall be released from the MSDA funds against the bank guarantee to be furnished by the supplier firm for the value of 5% of the cost of machinery, which is valid till the expiry of warranty period of one year.

3. Cluster Development Team (CDT) shall release the payment to the company based on the recommendation received from the Assistant Executive Engineer (AEE).

IX. Facilitation for running of the value addition unit:

- 1. Agriculture Officer (Agricultural Marketing & Agri Business) shall monitor the proper day to day running of the unit.
- 2. Assistant Engineer, (Agricultural Engineering Department) shall give the technical guidance and ensure proper functioning of the machineries.
- 3. Deputy Director (Agricultural Marketing & Agri Business) shall tie up the FPOs /FPG for marketing the value added produce. Preference may also be given in **Uzhavar sandhai** for marketing of the produce.

General:

- 1. The Value Addition Machinery Unit shall be established in phased manner and only in the potential clusters in the district. The priority will be decided by Director of Agriculture and Chief Engineer, Agricultural Engineering Department.
- 2. If there is more demand and potential in a particular cluster, more than one value addition unit may also be permitted within a cluster.
- 3. In the first stage, a total of 50 units may be targeted to be set up in 2017-18 and the Director of Agriculture will decide the district-wise split up of this allocation. Further, Value Addition Machinery Unit for the balance of the 200 Clusters will be undertaken in 2018-19 based on the performance of the micro enterprise units that are to be established.

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