A Scheme for facilitating large scale integrated projects, led by private sector players in the agriculture and allied sectors, with a view to aggregating farmers, and integrating the agricultural supply chain, with financial assistance through RKVY, under the direct supervision of State Governments, supported by National Level Agencies.

Background and Rationale

The agricultural produce landscape in India is undergoing significant and rapid change. This is primarily led by changing consumer demand preferences, as rising incomes rearrange the contents of the household food basket in both urban and rural India. Concern for food safety, traceability and assured year-round availability of quality agri produce at reasonable prices are demands which have emerged at the top of the supply chain. Organized retail (though as yet only 3% of the total retail market) is doubling its share every three years or so and is likely to play an increasingly important role in influencing the nature of agricultural markets in the coming decade. A game changer on the horizon is the proposed national food security legislation, which will require the sourcing of huge volumes of food from domestic producers. Traditional production and supply arrangements are unlikely to prove adequate in meeting the challenges posed by these two major developments.

Agriculture GDP is heavily weighted in favour of high value produce (horticulture, animal husbandry, dairy, poultry and fish products); as much as 75% of agri GDP value today is contributed by these products. Recent evidence suggests that this segment is increasingly favoured by small and marginal producers as it is labour intensive, offers quicker returns and can engage a higher proportion of women (especially dairy activities). Thus there appears to be immense potential to leverage high returns from non-cereal sub sectors, especially for small producers. This fits well with the XII Plan’s vision for “faster and more inclusive growth” and creative and collaborative effort can result in this vision being translated into reality.

However, several hurdles need to be overcome to reach these highly desirable goals. For one, 83% of land holdings in the country are now marginal or small and unless there is urgent intervention in aggregating producers through farmer’s institutions, we are unlikely to achieve scale in production and leverage it to the advantage of all stakeholders, especially primary producers. The fragmented agricultural marketing value chain and the large number of intermediaries is another major constraint, leading to wastage, low returns to producers and volatility in availability and prices at the consumer end. Estimates of the wastage of perishable such as fruits and vegetables range from 18-40% but they are undeniably too high and penalize both producers and consumers. The example of AMUL in milk demonstrates the benefits of value chain integration in agricultural produce. Yet, an efficient supply chain for cereals, perishables and other high value agricultural produce is unlikely to materialize unless there is parallel investment in aggregating farmers and farm produce at the bottom end, and strong and direct linkages are created between producers and market players, both for retailing raw produce and processed food.

Finally, the growing demand for quality agricultural products creates an opportunity to reduce risk in agriculture through the integration of producers on the one hand and retailers and processors on the other. While production and price risks are the most obvious areas of attention, the potential to create partnerships between farmer’s groups and market players also opens up better links with input suppliers, financial institutions and research bodies. This convergence can lead to better targeting of government expenditures on agricultural subsidies and achieve better outcomes for public policy. Overall, a collaborative effort between the government, farmers and corporates in agriculture is likely to raise the rate of agricultural GDP growth, thereby directly impacting rural poverty.
In the above scenario, RKVY is likely to be a major window of funding during the XII Plan to support integrated agriculture and allied sector projects. However, there are challenges of limitation of technical, administrative and financial capacity at the state level to absorb the growing level of funding support under RKVY. Project monitoring and assessing project outcomes are also areas requiring strengthening. Lastly, the short term nature of most RKVY interventions in the XI Plan raises questions about the long term impact and sustainability of these investments. PPPIAD has been conceived of as an alternative mode of implementation under RKVY, using the technical and managerial capabilities of the private sector in combination with public funding, to achieve integrated and sustainable outcomes, as also to achieve value chain integration and additional private investment in agriculture.

Main features of PPPIAD

- Corporates to propose integrated agricultural development projects across the spectrum of agriculture and allied sectors, taking responsibility for delivering all the interventions through a single window. Each project to target at least 5000 farmers, spread over the project life.

- Complete flexibility in design, but ensuring an integrated value chain approach, covering all aspects from production to marketing. Projects can span 3-5 years.

- Average investment per farmer during project must be quantified, though an average of Rs. 1.00 lakh per farmer will be a desirable benchmark. Government support will be restricted to 50% of the overall per farmer investment proposed, with a ceiling of Rs. 50,000 per farmer through the project cycle. The remaining investment will be arranged by the corporate through institutional financing and its own and farmer contributions. All subsidies will be directly routed to farmers or reimbursed to project leaders after verification of asset distribution to farmers.

- Key interventions which must feature in each project are: a) mobilizing farmers into producer groups and registering them in an appropriate legal form or creating informal groups as may be appropriate to the area and Project (joint stock or producer companies, cooperatives, self-help group federations etc.); b) technology infusion; c) value addition; d) marketing solutions; e) project management.

- Financial assistance will be provided by State Governments directly to corporates through the RKVY window after the project has been approved by SLSC, subject to a ceiling of Rs. 50,000 per farmer or 50% of the proposed investment per farmer, whichever is lower. Subsidy to farmer for availing drip/sprinkler irrigation/mechanization/grading/shade nets etc. could be considered separately as it is a large investment. Therefore, subsidy availed by farmers for drip/sprinkler/mechanization/grading/shade nets, etc. under NMMI would not be considered as a part of this Rs. 50,000 ceiling.

- Projects can also be proposed by corporates to State Governments through Small Farmers’ Agri-business Consortium (SFAC). This institution has been designated as a National Level Agency for this purpose by Dept. of Agriculture and Cooperation, Govt. of India. SFAC will act as a facilitator to link the project promoter to the concerned State Government. The role of SFAC will be to examine the proposal from a technical viewpoint and thereafter propose it for funding to the concerned State. SFAC will be restricted to being a support agency to facilitate the process of technical appraisal, coordination and facilitation; it will not be involved in implementation directly or handling funds.

- An independent monitoring agency (like NABARD or other a suitably qualified consultancy firm with no conflict of interest with the particular project it is to monitor) will be appointed by the State Government to closely track the performance of the project and report to all relevant stakeholders in the State and Central government.

Coverage and Scope

PPPIAD is proposed as a pilot scheme to be launched during 2012-13 itself, with about 6-8 projects in the first tranche which interested States are willing to sponsor immediately. Its expansion during the XII Plan will be decided based on the experience of the first lot of pilot projects.
**Objectives**

**Main objectives of scheme are:**
Augmenting the current government efforts in agricultural development by leveraging the capabilities of the private sector by:

- Addressing all concerns related to production and post-harvest management in agriculture/horticulture and agriculture allied sectors.
- Enhancing production and productivity, improve nutritional security and income support to farmers.
- Promote, developing and disseminating technologies for enhancing production and productivity.
- Assisting states in addressing the entire value chain, right from the stage of pre-production to the consumers table through appropriate interventions.
- Creating employment generation opportunities for skilled and unskilled persons, especially unemployed youth.
- Improving value addition and ensuring farmer’s profitability increases.
- Making farming a viable business proposition.
- Improving the delivery and monitoring mechanism under RKVY funded projects.

**Strategy**

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

- Companies to submit a Detailed Project Report (DPR), to States directly or SFAC for consideration of SLSC.
- Organize growers into Farmers Association/Groups in every project.
- Identify/select aggregators and enable tie-up with farmers/associations/groups.
- Coordinate with ICAR/SAUs/Private Sector to provide improved varieties of seeds/seedlings and to introduce innovative technologies as required.
- Addressing issues in the credit supply chain with support from NABARD.
- Measures for production and productivity enhancement by adopting improved cultivars, production technologies using precision farming techniques, protected cultivation, micro irrigation etc.
- Primary processing, sorting, grading, washing, packaging and value addition clusters.
- Logistics from farm to market including:
  - Post Harvest Management, Storage and Transport infrastructure.
  - Aggregators for suitable tie ups in the supply-chain.
- Support to these groups to develop warehouses, cold chains, Controlled Atmosphere (CA).

**Procedure for Approval and Implementation**

**Strategy and Roadmap**

Companies will identify the regions they wish to take up in 2012-13 and develop the project for integrated agriculture development. The strategy & road map formulated by companies should invariably contain information on geography & climate, potential of agriculture development, availability of land, SWOT analysis, and strategy for development and plan of action proposed to be taken to achieve goals in the identified region. The document should focus on adoption of cluster approach for production and linking with available infrastructure, or to be created, for post harvest management, processing, marketing and export. Growers/farmers would also be entitled for assistance under all schemes of DAC/other departments of Government of India so that these schemes can ensure appropriate synergy and convergence for maximum benefit in the field. Each DPR will also provide a Results Framework Document (RFD), giving clearly verifiable indicators for tracking the progress of the project during its life cycle.

**Implementing Agencies**

2. State Government (Agriculture Department)/State level agencies.
3. Private sector partner.

Proposals can be either submitted directly to States or to SFAC at the national level. In either case, the NLA or State Government will examine the project proposal from the viewpoint of suitability to priorities and objectives of the State and the general framework of RKVY. If found suitable, the proposal will be forwarded to the SLSC chaired by Chief Secretary for consideration. Based on the approval of the SLSC, the project will be rolled out after an agreement has
been signed between the State Government and Project Promoter. A standard format of agreement for PPPIAD under RKVY will be circulated for the guidance of States. They will be free to adapt this format to their specific needs.

All fund releases will be made directly by the State Government to the concerned private sector Project Promoter, based on satisfactory progress reports. Funding will be in the form of reimbursement of expenditures incurred by the Project Promoter on various approved budget heads, after these have been duly verified by the independent monitoring agency.

A baseline survey to determine the entry level situation and end-of-project survey will also be conducted by the independent monitoring agency to assess the impact of the project intervention. It will further furnish monthly, quarterly and annual progress reports to DAC and the State and operationalize Information Communication Technology (ICT) enabled Management Information System (MIS) up to grass root level and if need be develop and host its own website.

Scheme Components and Pattern of Assistance

The Scheme will cover all project components in all agriculture and allied sector areas. All farmer related services (i.e. not inputs or hardware) and other interventions leading to productivity enhancement will be supported fully. There will be a 50% limit on items (like farm machinery and irrigation infrastructure) which are to be provided on subsidy to farmers. However, there will be flexibility as far as the community based projects are concerned. For instance, 100 per cent subsidy can obtained by FPOs for developing warehousing infrastructure under Rural Godown Scheme.

The scheme will be demand and need based in each segment. Technology will play an important role in different interventions. The interventions envisaged for achieving desired goals would be varied and regionally differentiated with focus on potential vegetable crops to be developed in clusters by deploying modern and hi-tech interventions and duly ensuring backward and forward linkages.

Performance based overhead costs will be given to the companies for meeting administrative expenses for executing the projects. The companies would have to submit Results Framework Document (RFD) for getting the project approved. If the company’s performance if excellent, it can be entitled to maximum overheads of 8 per cent, similarly, if it is average, it would be entitled to overheads of 5 per cent. If the company’s performance is poor, it would be only entitled to overheads of 2 per cent.

The release of funds would be done in a phased manner as per the approved project proposal. The entire project would be divided into five phases with a specific financial allocation for each phase. Amount pertaining each phase would be released during the beginning of each phase. For availing funds of the subsequent phase, the company would have to submit a detailed utilization certificate from the company auditor and interim project report of that phase.

Dispute Redress Mechanism

A standing mechanism to review projects sanctioned under PPPIAD and resolve disputes will be activated at the State level with the following composition:

(a) Agriculture Production Commissioner or Principal Secretary, Agriculture – Chair
(b) Commissioner/Director, Agriculture – Member Secretary
(c) Representative of Private Sector Implementing Partner – Member
(d) Representative of independent monitoring agency – Member

This DRM will be the forum to resolve any disputes which arise during the implementation of PPPIAD projects. If this committee is unable to resolve an issue, it will be referred to the SLSC chaired by Chief Secretary, in which all members of the DRM will be invited to participate. The decision of the SLSC in any matter will be final.
Call for Proposal (CfP)
Public Private Partnership for Integrated Agriculture Development (PPP-IAD)
for the year 2016-17

1. BACKGROUND:
Department of Agriculture and Cooperation, Govt. of India has published "Framework for Supporting Public Private Partnership for Integrated Agricultural Development (PPP-IAD) under Rashtriya Krishi Vikas Yojana (RKVY)". As per this document, PPPAID is a Scheme for facilitating large scale Integrated projects, led by private sector players in the agriculture and allied sectors, with a view to aggregating farmers, and integrating the agricultural supply chain, with financial assistance through RKVY, under the direct supervision of State Governments, supported by National Level Agencies. Based on this framework, Department of Agriculture, Government of Maharashtra (DOA, GOM) is implementing PPP-IAD projects. Initially the response from private players in Maharashtra (Corporate, Companies, FPOs) was moderate but now, after successful implementation of renewal projects, the response from private players is increasing. Now DoA, GoM desires to implement PPP-IAD Projects by following a procedure for selection of private partners, following a due process scrutinizing and rolling out the projects.

Kindly refer RKVY guidelines, Cost norms pattern & PPP-IAD framework which are available on Website www.rkvy.nic.in and www.mahaagri.gov.in

2. OVERVIEW:
Department of Agriculture, Government of Maharashtra implements different schemes and projects for development of agriculture in state. These schemes and projects are funded by Central Government and State Government. These schemes and projects are addressing one or other issue of value chain of a commodity or group of commodities. The interventions made are mostly stand alone. There is enormous scope for convergence of different schemes, projects and their components to address the issues in value chain for integrated development. In the recent past, the emphasis of Department of Agriculture was on increasing
productivity, but since last few years, post-harvest management for increasing quality & market access of farmer is also considered as an important objective of Departmental activities. The time has arisen when integrated approach for value chain development has become important. Department of Agriculture is involved in dissemination of technologies developed mainly in public sector. There are many technologies developed in private sector & are equally important in increasing productivity & value chain development. It is very essential to strengthen coordination between public and private institutes in dissemination of technologies for increasing productivity & value chain development. To address the aforesaid issues PPP-IAD has been conceived as an important tool.

3. OBJECTIVES:

Main objectives are:

Augmenting the current government efforts in agricultural development by leveraging capabilities of the private sector by:

- Addressing all concerns related to production and post-harvest management in agriculture/horticulture and agriculture allied sectors.
- Enhancing production and productivity, improve nutritional security and income support to farmers.
- Promote, developing and disseminating technologies for enhancing production and productivity.
- Addressing the entire value chain, right from the stage of pre-production to the consumers table through convergence of different schemes and projects and their appropriate interventions.
- Creating employment generation opportunities for skilled and unskilled persons, especially unemployed youth.
- Improving value addition and ensuring farmer's profitability increases.
- Making farming a viable business proposition.
- Improving the delivery and monitoring mechanism under RKVY and other schemes.
4. STRATEGY:

To achieve the above objectives, strategies are:

- Companies/Private Partners to submit a Detailed Project Report (DPR), to PPP-IAD Cell in Commissionerate of Agriculture, Govt. of Maharashtra.
- Identify/select aggregators and enable tie-up with farmers/associations/groups.
- Coordinate with State Agriculture Department, ICAR/SAUs/Private Sector to introduce innovative technologies as required.
- Addressing issues in the credit supply chain with support from Banks.
- Measures for production and productivity enhancement by adopting improved cultivars, production technologies using precision farming techniques, protected cultivation, micro irrigation etc.
- Primary processing, sorting, grading, washing, packaging and value addition clusters.
- Logistics from farm to market including:
  - Post-Harvest Management, Storage and Transport infrastructure.
  - Aggregators for suitable tie ups in the supply-chain.
- Support to these groups to develop warehouses, cold chains, Controlled Atmosphere (CA).
- To involve end users (Exporters, Processors, Retailers) for providing alternate markets to farmers by availing provisions in reformed Maharashtra Agriculture Marketing (Development and Regulation) Act. (i.e. Direct Marketing License, Contract Farming etc.)
5. SCOPE OF WORK:

5.1 Main features of PPP-IAD:

- Corporate to propose integrated agricultural development projects taking responsibility for delivering all the interventions jointly with Department of Agriculture. Each project to target at least 5000 farmers spread over the project life.

- Complete flexibility in design, but ensuring an integrated value chain approach, covering all aspects from production to marketing. Projects can span 3-5 years.

- Average investment per farmer during project should be quantified, though an average of Rs.1.00 lakh per farmer will be a desirable benchmark. Government support will be restricted to 50% of the overall per farmer investment proposed, with a ceiling of Rs. 50,000 per farmer through the project cycle. The remaining investment will be arranged by the corporate through institutional financing and its own and farmers contributions. All subsidies will be directly routed to farmers or reimbursed to project leaders after verification of asset distribution to farmers.

- Key interventions which must feature in each project are: a) mobilizing farmers into producer groups and registering them in an appropriate legal form or creating informal groups as may be appropriate to the area and Project (joint stock or producer companies, cooperatives, self-help group federations etc.); b) technology infusion; c) value addition; d) marketing solutions; e) project management.

- Financial assistance will be provided by State Governments to intended beneficiaries (farmers, FPOs, Private Partners etc.).

- Projects will be proposed by Private Partners to PPP-IAD Cell, Commissionerate of Agriculture, Govt. of Maharashtra.

- The projects will be scrutinized by PPP-IAD Cell and short listed projects will be submitted to State Government (SLSC) for final approval.
Once the projects are approved, detailed guidelines for implementation of project will be prepared by Commissionerate of Agriculture, Govt. of Maharashtra.

Projects approved by State Government will be implemented by different authorities of State Agriculture Department in coordination with private partner.

5.2 Scheme Components, Cost Norms and Pattern of Assistance:

Activities/components proposed under RKVY especially under production growth stream are generally covered under various ongoing schemes/programmes of Central Govt. viz. Dept. of Agriculture & Cooperation, Dept. of Animal Husbandry, Dairy & 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/programmes will also be applicable for RKVY (Proposer private partner can refer guidelines of concerned Dept. which are available on the websites of respective Depts.). In the absence of such criterion in respect of any component in Central Plan Scheme, norms and conditions prescribed by State Government for its 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 proposer private partner in each such case. Even in such cases, financial assistance should not be more than 25% of the project cost (refer to RKVY operational guidelines).

5.3 Steps for PPP IAD Project Implementation:

- Consultative Conference
- Submission of proposal by private partners
- Screening of projects
- Presentation of screened projects
- Short listing of projects
- Submission of projects to State level Project Scrutiny Committee
- Approval of RKVY State Level Sanctioning Committee
- Issuance of Govt. Resolution
- Signing of MoU
- Issuance of operational guidelines
- Rolling out project

5.4 Who can apply?

- **Technology companies:** Agriculture input and other companies with promising/innovative technologies which can lead to increase in productivity and make value chain of particular crop or group of crop efficient and increase net income of farmers. However such companies need to either procure end product of project (commodity) or they can form consortium with other end used company who will buy the end product.

- **End user Companies:** Companies who are processors, exporters or retailers and ready to procure end product of project.

- **Farmer Producer Organizations (FPOs):** On behalf of producer farmer members FPOs can participate in PPP-IAD. Apart from activities of production they themselves or along with another end user company they should procure the end product of project.

  Thus PPP partners should invariably procure the end product (farm produce) in the project so as to complete the value chain (end to end solution).

  However preference would be given to partners who will invest in erection of new infrastructure, to promote the agribusiness in the state, along with activities related to agriculture extension for increasing productivity.

- **How companies share in project will be determined?:** Proposer company will indicate activities and will make commitments regarding their share in the project. The proposer would also sign memorandum of understanding with Dept. of Agriculture, Govt. of Maharashtra & Mechanism for determining the share will be elaborately mentioned in MoU.
6. DPR SHOULD INCLUDE FOLLOWING STRATEGY & ROADMAP:

Companies/Private Partners will identify the regions they wish to take up in 2015-16 and develop the project for integrated agriculture development. The strategy & roadmap formulated by companies/Partners should invariably contain information on geography & climate, potential of agriculture development, availability of land, SWOT analysis, and strategy for development and plan of action proposed to be taken to achieve goals in the identified region. The document should focus on adoption of cluster approach for production and linking with available infrastructure, or to be created, for post harvest management, processing, marketing and export. Growers/farmers would also be entitled for assistance under existing schemes of DAC/other departments of Government of India so that these schemes can ensure appropriate synergy and convergence for maximum benefit in the field. Each DPR will also provide a Results Framework Document (RFD), giving clearly verifiable indicators for tracking the progress of the project during its life cycle.

The template for DPR would essentially include (not limited to) information on following:

- Introduction & Background
- Baseline survey
- Company/Private Partner profile
- SWOT analysis
- Objectives
- Scope of project
- Implementation plan- Component wise details, Interventions proposed for end to end value chain, Strategy for rolling out the project with availability of man power in project area
- Procurement plan
- Roles & Responsibilities of different stake holders
- Innovations
- Monitoring & Evaluation
- Result Frame Work
7. LAST DATE FOR SUBMISSION OF PROJECTS: / /2015

8. WHERE TO SUBMIT PROJECT:
Director, Agro Processing & Planning and Chief Coordinator (PPP-IAD), Commissionerate of Agriculture, Sakhar Sankul, Shivaji Nagar, Pune-411005 on Company/Private Partners officially on letter head.

9. SUBMISSION OF PROPOSAL:
Two copies of detail project report along with abstract in Annexure-I and soft copy of proposal.
Annexure-I

Abstract of Project

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Item</th>
<th>Details</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Name of Project</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Names of the Value Chain Partners</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Main promoting company</td>
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<td></td>
<td>b. Marketing partner/ company</td>
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<td></td>
<td>c. Associated partners</td>
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<td>3</td>
<td>Responsible persons &amp; contact details</td>
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<td></td>
<td>(Name/Designation/Ph. no./Email id)</td>
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<tr>
<td>4</td>
<td>Crops</td>
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<tr>
<td>5</td>
<td>Base line indicators</td>
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<tr>
<td></td>
<td>A) Existing Productivity (2013-14)</td>
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<tr>
<td></td>
<td>B) Income per ha (Productivity*MSP in Rs.)</td>
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<td>6</td>
<td>Area in ha</td>
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<td>7</td>
<td>No. of Farmers</td>
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<td>8</td>
<td>Name of Districts and Area in ha</td>
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<td>9</td>
<td>Expected outcomes</td>
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<td></td>
<td>A) Increase in Productivity</td>
<td></td>
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<tr>
<td></td>
<td>B) Incremental Income per ha</td>
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<tr>
<td>10</td>
<td>Procurement targets in MT</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Total Project Cost Rs. in crore &amp; % share</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A) Govt.</td>
<td></td>
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<td></td>
<td>B) Private Partner</td>
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<td></td>
<td>C) Farmer</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Project Period</td>
<td></td>
</tr>
</tbody>
</table>
13. Component wise Details : Proposed Interventions-

(Rs in Lakh)

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Component</th>
<th>Unit</th>
<th>Unit Cost</th>
<th>No. of Units</th>
<th>Total Cost</th>
<th>Cost sharing</th>
<th>Name of Scheme &amp; Assistance Norms</th>
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<td>Govt</td>
<td>Private</td>
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<td>RKVY</td>
<td>Other Schemes</td>
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<td>Govt</td>
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<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

14. Year wise Phasing should be given as per project period in following format.

(Rs in Lakh)

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Component</th>
<th>Total Cost</th>
<th>Year wise investment</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Govt</td>
<td>Private</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

15. Financial sustainability of the Project in future

16. Land availability for the Project with Sanction

17. Permission of the concern Department (eg. Pollution Control Board, MSEB, Gram Panchayat, Local Authority etc.)

18. Any other information

Seal & Sign of Authorized person
Framework for Supporting
Public Private Partnership for Integrated Agricultural Development (PPPIAD)
under Rashtriya Krishi Vikas Yojana (RKVY)

A Scheme for facilitating large scale integrated projects, led by private sector
players in the agriculture and allied sectors, with a view to aggregating farmers, and integrating the
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Background and Rationale

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Agriculture GDP is heavily weighted in favour of high value produce (horticulture, animal husbandry, dairy, poultry
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However, several hurdles need to be overcome to reach these highly desirable goals. For one, 83% of land
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number of intermediaries is another major constraint, leading to wastage, low returns to producers and volatility in
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parallel investment in aggregating farmers and farm produce at the bottom end, and strong and direct linkages are
created between producers and market players, both for retailing raw produce and processed food.

Finally, the growing demand for quality agricultural products creates an opportunity to reduce risk in agriculture through
the integration of producers on the one hand and retailers and processors on the other. While production and price risks
are the most obvious areas of attention, the potential to create partnerships between farmer’s groups and market players
also opens up better links with input suppliers, financial institutions and research bodies. This convergence can lead
to better targeting of government expenditures on agricultural subsidies and achieve better outcomes for public policy.
Overall, a collaborative effort between the government, farmers and corporates in agriculture is likely to raise the rate
of agricultural GDP growth, thereby directly impacting rural poverty.
In the above scenario, RKVY is likely to be a major window of funding during the XII Plan to support integrated agriculture and allied sector projects. However, there are challenges of limitation of technical, administrative and financial capacity at the state level to absorb the growing level of funding support under RKVY. Project monitoring and assessing project outcomes are also areas requiring strengthening. Lastly, the short term nature of most RKVY interventions in the XI Plan raises questions about the long term impact and sustainability of these investments. PPPIAD has been conceived of as an alternative mode of implementation under RKVY, using the technical and managerial capabilities of the private sector in combination with public funding, to achieve integrated and sustainable outcomes, as also to achieve value chain integration and additional private investment in agriculture.

**Main features of PPPIAD**

- Corporates to propose integrated agricultural development projects across the spectrum of agriculture and allied sectors, taking responsibility for delivering all the interventions through a single window. Each project to target at least 5000 farmers, spread over the project life.

- Complete flexibility in design, but ensuring an integrated value chain approach, covering all aspects from production to marketing. Projects can span 3-5 years.

- Average investment per farmer during project must be quantified, though an average of Rs. 1.00 lakh per farmer will be a desirable benchmark. Government support will be restricted to 50% of the overall per farmer investment proposed, with a ceiling of Rs. 50,000 per farmer through the project cycle. The remaining investment will be arranged by the corporate through institutional financing and its own and farmer contributions. All subsidies will be directly routed to farmers or reimbursed to project leaders after verification of asset distribution to farmers.

- Key interventions which must feature in each project are: a) mobilizing farmers into producer groups and registering them in an appropriate legal form or creating informal groups as may be appropriate to the area and Project (joint stock or producer companies, cooperatives, self-help group federations etc.); b) technology infusion; c) value addition; d) marketing solutions; e) project management.

- Financial assistance will be provided by State Governments directly to corporates through the RKVY window after the project has been approved by SLSC, subject to a ceiling of Rs. 50,000 per farmer or 50% of the proposed investment per farmer, whichever is lower. Subsidy to farmer for availing drip/sprinkler irrigation/mechanization/grading/shade nets etc. could be considered separately as it is a large investment. Therefore, subsidy availed by farmers for drip/sprinkler/mechanization/grading/shade nets, etc. under NMMI would not be considered as a part of this Rs. 50,000 ceiling.

- Projects can also be proposed by corporates to State Governments through Small Farmers’ Agri-business Consortium (SFAC). This institution has been designated as a National Level Agency for this purpose by Dept. of Agriculture and Cooperation, Govt. of India. SFAC will act as a facilitator to link the project promoter to the concerned State Government. The role of SFAC will be to examine the proposal from a technical viewpoint and thereafter propose it for funding to the concerned State. SFAC will be restricted to being a support agency to facilitate the process of technical appraisal, coordination and facilitation; it will not be involved in implementation directly or handling funds.

- An independent monitoring agency (like NABARD or other a suitably qualified consultancy firm with no conflict of interest with the particular project it is to monitor) will be appointed by the State Government to closely track the performance of the project and report to all relevant stakeholders in the State and Central government.

**Coverage and Scope**

PPPIAD is proposed as a pilot scheme to be launched during 2012-13 itself, with about 6-8 projects in the first tranche which interested States are willing to sponsor immediately. Its expansion during the XII Plan will be decided based on the experience of the first lot of pilot projects.
Objectives

Main objectives of scheme are:
Augmenting the current government efforts in agricultural development by leveraging the capabilities of the private sector by:
- Addressing all concerns related to production and post-harvest management in agriculture/horticulture and agriculture allied sectors.
- Enhancing production and productivity, improve nutritional security and income support to farmers.
- Promote, developing and disseminating technologies for enhancing production and productivity.
- Assisting states in addressing the entire value chain, right from the stage of pre-production to the consumers table through appropriate interventions.
- Creating employment generation opportunities for skilled and unskilled persons, especially unemployed youth.
- Improving value addition and ensuring farmer’s profitability increases.
- Making farming a viable business proposition.
- Improving the delivery and monitoring mechanism under RKVY funded projects.

Strategy

To achieve the above objectives, the scheme will adopt the following strategies:
- Companies to submit a Detailed Project Report (DPR), to States directly or SFAC for consideration of SLSC.
- Organize growers into Farmers Association/Groups in every project.
- Identify/select aggregators and enable tie-up with farmers/associations/groups.
- Coordinate with ICAR/SAUs/Private Sector to provide improved varieties of seeds/seedlings and to introduce innovative technologies as required.
- Addressing issues in the credit supply chain with support from NABARD.
- Measures for production and productivity enhancement by adopting improved cultivars, production technologies using precision farming techniques, protected cultivation, micro irrigation etc.
- Primary processing, sorting, grading, washing, packaging and value addition clusters.
- Logistics from farm to market including:
  - Post Harvest Management, Storage and Transport infrastructure.
  - Aggregators for suitable tie ups in the supply-chain.
- Support to these groups to develop warehouses, cold chains, Controlled Atmosphere (CA).

Procedure for Approval and Implementation

Strategy and Roadmap

Companies will identify the regions they wish to take up in 2012-13 and develop the project for integrated agriculture development. The strategy & road map formulated by companies should invariably contain information on geography & climate, potential of agriculture development, availability of land, SWOT analysis, and strategy for development and plan of action proposed to be taken to achieve goals in the identified region. The document should focus on adoption of cluster approach for production and linking with available infrastructure, or to be created, for post harvest management, processing, marketing and export. Growers/farmers would also be entitled for assistance under all schemes of DAC/other departments of Government of India so that these schemes can ensure appropriate synergy and convergence for maximum benefit in the field. Each DPR will also provide a Results Framework Document (RFD), giving clearly verifiable indicators for tracking the progress of the project during its life cycle.

Implementing Agencies

2. State Government (Agriculture Department)/State level agencies.
3. Private sector partner.

Proposals can be either submitted directly to States or to SFAC at the national level. In either case, the NLA or State Government will examine the project proposal from the viewpoint of suitability to priorities and objectives of the State and the general framework of RKVY. If found suitable, the proposal will be forwarded to the SLSC chaired by Chief Secretary for consideration. Based on the approval of the SLSC, the project will be rolled out after an agreement has
been signed between the State Government and Project Promoter. A standard format of agreement for PPPIAD under RKVY will be circulated for the guidance of States. They will be free to adapt this format to their specific needs.

All fund releases will be made directly by the State Government to the concerned private sector Project Promoter, based on satisfactory progress reports. Funding will be in the form of reimbursement of expenditures incurred by the Project Promoter on various approved budget heads, after these have been duly verified by the independent monitoring agency.

A baseline survey to determine the entry level situation and end-of-project survey will also be conducted by the independent monitoring agency to assess the impact of the project intervention. It will further furnish monthly, quarterly and annual progress reports to DAC and the State and operationalize Information Communication Technology (ICT) enabled Management Information System (MIS) up to grass root level and if need be develop and host its own website.

**Scheme Components and Pattern of Assistance**

The Scheme will cover all project components in all agriculture and allied sector areas. All farmer related services (i.e. not inputs or hardware) and other interventions leading to productivity enhancement will be supported fully. There will be a 50% limit on items (like farm machinery and irrigation infrastructure) which are to be provided on subsidy to farmers. However, there will be flexibility as far as the community based projects are concerned. For instance, 100 per cent subsidy can obtained by FPOs for developing warehousing infrastructure under Rural Godown Scheme.

The scheme will be demand and need based in each segment. Technology will play an important role in different interventions. The interventions envisaged for achieving desired goals would be varied and regionally differentiated with focus on potential vegetable crops to be developed in clusters by deploying modern and hi-tech interventions and duly ensuring backward and forward linkages.

Performance based overhead costs will be given to the companies for meeting administrative expenses for executing the projects. The companies would have to submit Results Framework Document (RFD) for getting the project approved. If the company’s performance is excellent, it can be entitled to maximum overheads of 8 per cent, similarly, if it is average, it would be entitled to overheads of 5 per cent. If the company’s performance is poor, it would be only entitled to overheads of 2 per cent.

The release of funds would be done in a phased manner as per the approved project proposal. The entire project would be divided into five phases with a specific financial allocation for each phase. Amount pertaining each phase would be released during the beginning of each phase. For availing funds of the subsequent phase, the company would have to submit a detailed utilization certificate from the company auditor and interim project report of that phase.

**Dispute Redress Mechanism**

A standing mechanism to review projects sanctioned under PPPIAD and resolve disputes will be activated at the State level with the following composition:

(a) Agriculture Production Commissioner or Principal Secretary, Agriculture – Chair
(b) Commissioner/Director, Agriculture – Member Secretary
(c) Representative of Private Sector Implementing Partner – Member
(d) Representative of independent monitoring agency – Member

This DRM will be the forum to resolve any disputes which arise during the implementation of PPPIAD projects. If this committee is unable to resolve an issue, it will be referred to the SLSC chaired by Chief Secretary, in which all members of the DRM will be invited to participate. The decision of the SLSC in any matter will be final.
Rashtriya Krishi Vikas Yojana
(RKVY)

Operational Guidelines
For XII Five Year Plan

Department of Agriculture & Cooperation
Ministry of Agriculture
Government of India
2014
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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. 21,586.66 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 XPlan 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.

- RKVY (Production Growth) with 35% of annual outlay,
- RKVY (Infrastructure and Assets) with 35% of annual outlay;
- RKVY (Special Schemes) with 20% of annual outlay; and
- 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 sectorual 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/programmes 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 Panchayati 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 SLPC 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 up to previous financial year;

b) Expenditure of at least 60% of funds released in the first installment during the 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 a 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 up to 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.rkvynicin.in). As RKVY-MIS report shall be the basis of ‘online 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.
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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure in Agriculture &amp; Allied sector (excluding RKVY funds)</th>
<th>Total Plan expenditure</th>
<th>% of total Plan Expenditure Incurred in Agriculture &amp; Allied Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>492</td>
<td>10750</td>
<td>4.6</td>
</tr>
<tr>
<td>2010-11</td>
<td>709</td>
<td>11456</td>
<td>6.1</td>
</tr>
<tr>
<td>2011-12</td>
<td>605</td>
<td>13500</td>
<td>4.5</td>
</tr>
<tr>
<td>2012-13</td>
<td>1135</td>
<td>20000</td>
<td>5.7</td>
</tr>
</tbody>
</table>

5. Baseline percentage expenditure = Minimum percentage expenditure during preceding three (3) years (excluding RKVY funds) (2009-10, 2010-11 & 2011-12) = 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.
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:

<table>
<thead>
<tr>
<th>S/No</th>
<th>Criteria/Parameters</th>
<th>Weightage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Percentage share of net un irrigated area in a state to the net un irrigated area of all eligible States.</td>
<td>15%</td>
</tr>
<tr>
<td>2</td>
<td>Last three (3) years average area under oil seeds and pulses</td>
<td>5%</td>
</tr>
<tr>
<td>3</td>
<td>State’s highest GSDP for agriculture and allied sectors for the past five years.</td>
<td>30%</td>
</tr>
<tr>
<td>4</td>
<td>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.)</td>
<td>30%</td>
</tr>
<tr>
<td>5</td>
<td>Increase in Plan and non-plan expenditure made by the States from the State Budgets on Animal Husbandry, Fisheries, Agricultural Research &amp; Education in the previous years over the year prior to that year.</td>
<td>10%</td>
</tr>
<tr>
<td>6</td>
<td>Inverse of Yield gap between state average yield and potential yields as indicated in the frontline demonstration data</td>
<td>10%</td>
</tr>
</tbody>
</table>

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 devoted 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 silky 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.
## Illustrative List of Projects that can be funded under RKVY (Infrastructure & Assets) Stream

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>SECTOR</th>
<th>DESCRIPTION OF INFRASTRUCTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Horticulture</td>
<td>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 laboratories, 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.</td>
</tr>
<tr>
<td>4.</td>
<td>Soil Nutrient Management</td>
<td>Setting up of new soil testing laboratories, Strengthening of existing soil test laboratories with micro-nutrient testing facilities.</td>
</tr>
<tr>
<td></td>
<td>Fertilizers</td>
<td>Setting up of new Fertilizer Quality Control Laboratories (FQCLs), Strengthening of existing FQCLs.</td>
</tr>
<tr>
<td></td>
<td>Bio Fertilizers /Organic Farming</td>
<td>Bio fertilizer Production Units, Fruit/Vegetables waste, compost production units.</td>
</tr>
<tr>
<td>5.</td>
<td>Animal Husbandry</td>
<td>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.</td>
</tr>
<tr>
<td>Sl. No</td>
<td>SECTOR</td>
<td>DESCRIPTION OF INFRASTRUCTURE</td>
</tr>
<tr>
<td>-------</td>
<td>--------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td></td>
<td>Dairy</td>
<td>Animal Ambulance&lt;br&gt;Cold Chain for storing and transportation of frozen Semen&lt;br&gt;Tractor fitted with Fodder Block Machine&lt;br&gt;Carcass rendering Plant to collect the fallen animals for processing/utilization in scientific manner&lt;br&gt;Modernization of animal slaughter houses* and markets for livestock/livestock products&lt;br&gt;Milk Collection Centers and Infrastructure:&lt;br&gt;Purchase of milking machines (single/double bucket)&lt;br&gt;Setting up of milk chilling/bulk milk cooling centres (BMC) along with automatic milk collection units (AMC)&lt;br&gt;Setting up/modernization/strengthening of milk processing units&lt;br&gt;Strengthening/expansion of cold storage facility for milk and milk product&lt;br&gt;Purchase of insulated/refrigerated transport vehicles&lt;br&gt;Setting up of milk parlor/milk booth&lt;br&gt;Strengthening of lab facility in milk chilling/milk processing unit&lt;br&gt;Establishment of cattle feed storage godown&lt;br&gt;Establishment/strengthening of cattle feed plant&lt;br&gt;Establishment of cattle shed for milk animals&lt;br&gt;Setting/strengthening of ETP at milk chilling/milk processing unit&lt;br&gt;Fish Ponds/Reservoirs&lt;br&gt;Fish seed Hatcheries&lt;br&gt;Marketing infrastructure&lt;br&gt;Mobile Transport/Refrigerated vans&lt;br&gt;Cold Storage &amp; Ice Plants</td>
</tr>
<tr>
<td>6.</td>
<td>Marketing and Post-Harvest</td>
<td>Fruits &amp; Vegetable Markets/Distribution Centres&lt;br&gt;Market Infrastructural Facilities, including Agricultural Produce Market Committees (APMC)&lt;br&gt;Construction of Specialized Storage Facilities like Onion Storage Godowns&lt;br&gt;Electronic Trading including Spot and Futures Markets and E-auctioning&lt;br&gt;Farmers Service Centres&lt;br&gt;Food Grain Procurement Centres&lt;br&gt;E-Kisan Bhawans / Internet Kiosks&lt;br&gt;Grading including grading line&lt;br&gt;Quality Control&lt;br&gt;Packing</td>
</tr>
<tr>
<td>7.</td>
<td>Seeds</td>
<td>Seed Testing Labs&lt;br&gt;Seed Processing Facilities&lt;br&gt;Seed Storage Godowns including Dehumidified Refrigerated Seed Storage Godowns&lt;br&gt;Seed Certification Agencies and Certification Infrastructure&lt;br&gt;Seed Multiplication Farms</td>
</tr>
<tr>
<td>Sl. No</td>
<td>SECTOR</td>
<td>DESCRIPTION OF INFRASTRUCTURE</td>
</tr>
<tr>
<td>-------</td>
<td>----------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>8.</td>
<td>Agriculture Mechanization</td>
<td>Custom Hiring Centers for Agricultural Equipment Agriculture Machines Testing Centers</td>
</tr>
<tr>
<td>9.</td>
<td>Agricultural Extension</td>
<td>Kisan Call Centres ATMA Infrastructure Knowledge / Technology Resource Centres</td>
</tr>
<tr>
<td>10.</td>
<td>Agriculture Research</td>
<td>Research Infrastructure Strengthening of Krishi Vigyan Kendras (KVKS)</td>
</tr>
<tr>
<td>11.</td>
<td>Minor / Micro Irrigation</td>
<td>Shallow Wells &amp; Dug Wells Tube Wells (except in dark/grey/critical zone identified by Central Ground Water Board) Percolation &amp; Minor Irrigation Tanks Farm Ponds Drip &amp; Sprinkler Irrigation System Field Channels Piped Water Conveyance System</td>
</tr>
</tbody>
</table>

* 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.
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.
### Composition of State Level Sanctioning Committee (SLSC)

<table>
<thead>
<tr>
<th>Position</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Secretary</td>
<td>Chairman</td>
</tr>
<tr>
<td>Agri. Prod. Commissioner / Principal Secretary (Agriculture)</td>
<td>Vice-Chairman</td>
</tr>
<tr>
<td>Secretary, Finance</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Planning</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Fisheries</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Animal Husbandry</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Environment and Forests</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Panchayati Raj</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Rural Development</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Water Resources/Irrigation/Minor Irrigation</td>
<td>Member</td>
</tr>
<tr>
<td>Director, Agriculture</td>
<td>Member</td>
</tr>
<tr>
<td>Director, Horticulture</td>
<td>Member</td>
</tr>
<tr>
<td>Director, Animal Husbandry</td>
<td>Member</td>
</tr>
<tr>
<td>Director, Fisheries</td>
<td>Member</td>
</tr>
<tr>
<td>Representative of Department of Agriculture &amp; Cooperation, Govt. of India (Officer not below the rank of Joint Secretary)</td>
<td>Member</td>
</tr>
<tr>
<td>Representatives of Departments of Animal Husbandry, Dairying &amp; Fisheries, Govt. of India (Officer not below the rank of Joint Secretary)</td>
<td>Member</td>
</tr>
<tr>
<td>Representative of State Agriculture University</td>
<td>Member</td>
</tr>
<tr>
<td>Representative of Planning Commission</td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, Agriculture</td>
<td>Member-Secretary</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Letter No. and date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

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 output-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 | Union Government | State Government | District Planning Committee (DPC) | LOCAL GOVERNMENTS AND PLANNING BODIES | User groups, SHGs, etc.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Panchayati Raj System/Institutions</td>
<td>Village Panchayat</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>District Panchayat</td>
<td>Intermediate Panchayat</td>
</tr>
<tr>
<td>2.</td>
<td>Planning</td>
<td>DAC &amp; Planning Commission: To provide framework for preparation of SAP.</td>
<td>Preparation of SAP by integrating the District Agriculture Plans (DAPs)</td>
<td>Will be associated in the formulation of DAP taking into account location specific agro-climatic conditions, natural resources etc.</td>
<td>Districts Agriculture Planning Unit (DAPU) may be actively associated in formulation of Comprehensive District Agriculture Plans</td>
<td>Block/Taluka Agriculture Planning Unit (BAPU/TAPU) may be associated in providing inputs for DAP.</td>
</tr>
<tr>
<td>3.</td>
<td>Implementation of Projects (Crop, Development Horticulture, Micro Mini irrigation, Animal Husbandry, Sericulture etc. as per sectors taken up by each State)</td>
<td>DAC - Release of funds to State</td>
<td>Release of funds to implementing Departments/Agencies.</td>
<td>Prioritise projects based on availability of funds</td>
<td>Will be associated in selection of site/location of projects in consultation with implementing agencies.</td>
<td>Will be associated in selection of beneficiaries based on cluster approach (however, there should not be any repeat beneficiary year after year in RKVY).</td>
</tr>
</tbody>
</table>

Priority should be given to SC/ST, Women and weaker section of the society.
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Scheme sub-component/funding stream</th>
<th>Allocation (Rs. Cr.)</th>
<th>Percentage</th>
<th>Level to which mapped, based on activity mapping of function (% of allocation)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td>Centre</td>
<td>State</td>
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<td>Centre</td>
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</table>

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.
### Annexure – II

**Schemes and Programmes**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Scheme / Programme</th>
<th>Web link / address for guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td><strong>National Food Security Mission (NFSM)</strong></td>
<td><a href="http://www.nfsm.gov.in">www.nfsm.gov.in</a></td>
</tr>
<tr>
<td></td>
<td><strong>I Food Grain Crops</strong></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Wheat</td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>Coarse Cereals</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>II Commercial Crops</strong></td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>Sugarcane</td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Cotton</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td><strong>National Mission on Sustainable Agriculture (NMSA)</strong></td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>Rainfed Area Development (RAD)</td>
<td><a href="http://agricoop.nic.in/dacdivision/Final_guidelines.pdf">http://agricoop.nic.in/dacdi vision/Final_guidelines.pdf</a></td>
</tr>
<tr>
<td>b.</td>
<td>Soil Health Mission (SHM)</td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>On Farm Water management (OFWM)</td>
<td><a href="http://agricoop.nic.in/guidelines.html">http://agricoop.nic.in/guidelines.html</a></td>
</tr>
</tbody>
</table>
5. National Mission on Agricultural Extension & Technology (NMAET)  
   http://agricoop.nic.in/image/default/whatsnew/Uploaded%20ATMA%20Guidelines%20%20FINAL.pdf

<table>
<thead>
<tr>
<th>S.N.</th>
<th>State Corporation / Board</th>
<th>Web Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Maharashtra State Seed Corporation Ltd. (MSSCL)</td>
<td><a href="http://www.mahabeej.com/">http://www.mahabeej.com/</a></td>
</tr>
<tr>
<td>2.</td>
<td>Maharashtra Agro Industries Development Corporation Ltd. (MAIDC)</td>
<td><a href="http://www.maidcmumbai.com/">www.maidcmumbai.com/</a></td>
</tr>
<tr>
<td>3.</td>
<td>Maharashtra State Warehousing Corporation (MSWC)</td>
<td>mswarehousing.com/</td>
</tr>
<tr>
<td>4.</td>
<td>Maharashtra State Agriculture Marketing Board (MSAMB)</td>
<td><a href="http://www.msamb.com/">www.msamb.com/</a></td>
</tr>
</tbody>
</table>

For more details, please visit websites of the following organizations of the State government

6. National Crop Insurance Programme (NCIP)  
   http://agricoop.nic.in/image/default/credit/finalOP-Ncip.pdf

7. Rashtriya Krishi Vikas Yojana (RKVY)  
   rkvy.nic.in

8. Integrated Scheme for Agricultural Marketing (ISAM)  
   http://agricoop.nic.in/image/default/finalopguidelines.pdf

9. Crop Pest Surveillance and Advisory Project (CROPSAP)  
   http://www.mahaagri.gov.in