

Krishi Unnati Yojana - MOVCDNER

Details (Krishi Unnati Yojana - MOVCDNER)

About Realizing the potential of organic farming in the North Eastern Region of the country Ministry of Agriculture and Farmer Welfare has launched a Central Sector Scheme entitled "Mission Organic Value Chain Development for North Eastern Region" for implementation in the states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura, during the 12th plan period. The scheme aims at development of certified organic production in a value chain mode to link growers with consumers and to support the development of entire value chain starting from inputs, seeds, and certification, to the creation of facilities for collection, aggregation, processing marketing and brand building initiative. ■ Mission Objectives A. To empower producers with program ownership by organizing them into Farmer Interest Groups (FIGs) with the final aim to federate into farmer-producer organizations/ companies. ■ Mission Implementation Structure The scheme "Organic Value Chain Development for North Eastern Region" will be implemented in a Mission mode. ■ At the state level, the mission will be implemented by the State Level Executive Committee (SLEC) and executed through a designated state Lead Agency in the form of a state "Organic Commodity Board" or "Organic Mission".

Objectives (Krishi Unnati Yojana - MOVCDNER)

- The scheme aims at development of certified organic production in a value chain mode to link growers with consumers and to support the development of entire value chain starting from inputs, seeds, and certification, to the creation of facilities for collection, aggregation, processing marketing and brand building initiative. ■ Mission Objectives A. To empower producers with program ownership by organizing them into Farmer Interest Groups (FIGs) with the final aim to federate into farmer producer organizations/ companies.

Important Features (Krishi Unnati Yojana - MOVCDNER)

- The scheme aims at development of certified organic production in a value chain mode to link growers with consumers and to support the development of entire value chain starting from inputs, seeds, and certification, to the creation of facilities for collection, aggregation, processing marketing and brand building initiative. To develop crop commodity
- specific organic value chain and address gaps in organic crop production, wild crop harvesting, organic livestock management and processing handling and marketing of organic agricultural products through: Developing crop
- specific organic production clusters with necessary infrastructural, technical and financial support. By providing enabling environment for project initiatives and development programs with the necessary support for organic value chain development and creating market access. Creating state specific lead agency (Organic Commodity Board or Organic Mission) for coordinating, monitoring, supporting and financing the development and operationalization of the entire value chain. To set up lead agencies at central and state to partner with value chain supporting agencies, and service providers and institute business development consultancies. To provide access to information, know
- how and finance and enable the enterprises to offer efficient services, support them in building required management capacities, and stimulate market growth.

Benefits (Krishi Unnati Yojana - MOVCDNER)

- Developing crop specific organic production cluster Clusters development and formation of Farmer Producer Organizations/ Companies Crop/commodity
- specific production clusters will be developed in a concentrated mode for ease in training, hand holding, certification and collection and aggregation. Farmers can be grouped into Farmer Interest Groups (FIGs) at the village level and federated into organizations/ companies at District/ state level in accordance with Small Farmers Agribusiness Consortium (SFAC) guidelines for the formation of farmer Producer Companies. States can hire the services of competent resource agencies preferably experienced in Farmer Producer Company (FPCs) making, organic farming and having experience in value chain developments, cluster development and formation of FPCs. In States where FPCs have already been created additional clusters should be developed adjacent to the existing MOVCDNER clusters under the existing FPC. Efforts should be made to create commodity

- specific clusters, where a minimum of 50
- 60% area is cropped with targeted commodities. New FPC may be made only when the clusters are developed in new areas where there are no FPCs. Even existing FPC in that area may be approached to include FIGs under the scheme. This will help in saving the expenditure for the creation of a new FPC. Assistance for on
- farm input production unit and off
- farm inputs Registered farmers of FIGs/FPCs will be assisted with the creation of on
- farm input production infrastructure such as liquid manure tanks, NADEP compost tanks, botanical extracts etc. The assistance will be available up to a maximum of 2 ha per beneficiary. One
- time assistance of Rs. 3750 per ha (up to a maximum of Rs. 7500/
- for 2 ha per beneficiary) will be provided as a direct benefit transfer on verification of infrastructure created. The funds for component A.1.2. are being given in three year , and may be availed in the first year if needed, under intimation to Gol. Off
- farm inputs such as biofertilizers, bio
- pesticides and neem cake etc One time assistance of Rs. 3750 per ha area will be provided to the farmers registered under the program in the first year for procurement of bio fertilizers, bio pesticides and neem cake etc. Maximum assistance per beneficiary will be restricted to 2 ha (up to Rs 7500 per beneficiary). Assistance shall be provided as direct benefit transfer on verification of input purchases. Assistance for quality seed and planting material To ensure quality and varietal uniformity registered farmers will be provided with quality seed/ planting material. Assistance for quality seed/ planting material will be limited to 50% of actual seed/ planting material cost limited to Rs17500/ha (50% of maximum Rs 35,000/
-). For effective implementation state, Lead Agency can chalk out a comprehensive production and supply plan and facilitate farmers with a timely supply of seed/ planting material. The funds for the component A.1.3. are being given in three years, and may be availed in the first year, if needed, under intimation to Gol. ■ Support for extension services, input facilitation, training hand holding and certification at the production stage Assistance for setting up of input delivery, distribution centers, and agri
- machinery custom hiring center To facilitate lead agencies for the creation of input facilitation service center and agri
- machinery custom hiring center at commodity cluster / FPC level a sum of Rs. 10.00 lakh/FPC have been provided for the creation of need
- based facilities depending upon the crop and activities being undertaken. Training, hand holding, ICS management, documentation and certification of crop production through service providers A budget provision of Rs. 10,000 per ha for a period of three years has been made for hiring the services of competent service providers for providing hand holding, ICS management, documentation and organic certification through PGS/ Third party system under NPOP. For better output and coordination only one agency for both, FPC formation and hand holding, ICS management, documentation and certification be hired. Service
- providing agencies must ensure that ICS personnel are hired from among the participating farmers so that the activity can continue even after the departure of service providing agency. ■

Eligibility (Krishi Unnati Yojana - MOVCDNER)

- Value Chain Post Harvest Financial assistance for setting up of functional infrastructure for collection units, grading units and North East organic bazaar (NE organic Bazaar) State lead agencies will facilitate FPCs for development of functional infrastructure for collection and grading units under the ownership of FPCs through technical consultancies and hired experts. NE organic Bazaar will be created, maintained and operated by FPCs/FIGs/ FPOs registered under MOVCDNER, which will function like collection centers between the farm gate and processing infrastructures. The beneficiary FPCs/FIGs/ FPOs need to fulfill certain criteria to become eligible for financial assistance under the Mission which are as below
- FPCs/FIGs/ FPOs has minimum contiguous area of organic cultivation or organic conversion not less than 400 Ha. The marketing infrastructure shall be within the radius of 25 Km from clusters developed and registered under MOVCDNER. Financial assistance restricted to 75% of total financial outlay (TFO) or maximum budget allocation (Rs. 11.25 lakh per unit) whichever is less shall be provided ■ Value Chain Processing Financial assistance for setting up of integrated processing units Setting up of an integrated processing unit is linked with the area already brought under organic certification or is proposed for conversion to organic. It must be ensured that adequate raw material is available from

grower groups in close vicinity. It is also to be ensured that facilities are created in such a way that different commodities can be processed under a single roof facility and the unit can run for at least 8

- 10 months a year. Subsidy should be on a Pro
- rata Basis wherein it will be elaborated as the proportionate release of the funds on the basis of the promoter's contribution. These projects should preferably be entrepreneur driven and support is provided as credit linked subsidy. FPCs/FPOs/FIGs registered under the relevant act and having at least 250
- 500 members will also be entitled to avail assistance. FPCs/FPOs/FIGs can avail of subsidy without credit link, subject to the condition that they are able to meet their share of the project cost and route their entire setting up transactions through banks. Assistance to FPCs/FPOs/FIGs will be restricted to 75% of TFO or Rs 600 lakh, whichever is less. Assistance to private entrepreneurs shall be 50% of TFO or a maximum of Rs. 600 lakh whichever is less as credit linked subsidy. Before sanctioning of such units, states need to ensure the feasibility and economic viability of the unit and technology being employed are of an appropriate standard and acceptable to the market. * Project Management Unit shall help the state lead agencies in identifying the technologies and technology
- providing agencies/ institutions. Integrated pack house The scheme provides for the setting up of an integrated pack house as a subsidiary component of collection, aggregation and grading units and integrated processing units. While designing the type of pack house it must be ensured that it meets the requirement of the commodities targeted, is accessible to the handling and processing unit and have linkages with the market. This component should also be taken up as entrepreneur driven. FPCs/FPOs/FIGs will also be entitled to avail assistance. They may avail of subsidy without credit link, subject to the condition that they are able to meet their share of the project cost. Assistance to FPCs/FPOs/FIG shall be restricted to 75% of TFO or Rs 37.50 Lakh, whichever is less. Assistance to private entrepreneurs shall be 50% of TFO or a maximum of Rs 37.50 Lakh, whichever is less as credit linked subsidy Transportation/4
- wheeler up to TFO of 12 lakhs (50%) Refrigerated transport vehicles and pre
- cooling/ cold stores/ ripening chambers etc constitute for cold chain infrastructure and should be developed as an integral part of the integrated pack house. State lead agencies need to ascertain the need according to the commodities and quantities being targeted. Extant specifications standards and protocols on cold storage and cold
- chain components will be adhered to while approving cold storage projects. Revisions to technical standards and adherence protocols shall be updated by National Centre for Cold
- chain Development (NCCD) as necessary when improved technologies and efficiencies are introduced/understood/approved. Cold chain component Assistance for Refrigerated transport vehicles and pre
- cooling/ cold stores/ ripening chambers etc. will also be subjected to the conditions mentioned in 1 above and at Cold chain component B.3.3 above. Assistance to FPCs/FPOs/FIGs will be restricted to 75% of TFO or Rs. 18.75 lakh, whichever is less, separately for both refrigerated vehicles and cold storage etc. Assistance to private entrepreneurs shall be 50% of TFO or a maximum of Rs. 18.75 lakh for each component whichever is less as credit
- linked subsidy is. ■ ■

Application Process (Krishi Unnati Yojana - MOVCDNER)

- Subsidy application procedure State Lead Agency (SLA) shall be responsible for selection of eligible participants/ beneficiaries in the scheme.
- The beneficiary selection process to be adopted by the SLA shall be transparent.
- Proposed unit which has already availed subsidy from any other State or Central Government Department/Agency shall not be considered eligible under the scheme.
- ■ The eligible beneficiaries under MOVCDNER will fill up the subsidy proposal in the prescribed format and submit it to respective State Lead Agency (SLA) designated for each state.
- ■ Sanction & disbursement procedure of subsidy Once the identification and selection of beneficiary is completed, SLA with their recommendation will forward the subsidy proposal to NEDFi for subsidy processing.
- NEDFi will scrutinize the subsidy proposal based on the criteria set under MOVCDNER and communicate to the Commercial Bank/ Financial Institution where the eligible beneficiary has applied for a term loan component ■ After sanctioning the term loan of the proposed unit by the Commercial Bank/ Financial Institution, both the loan and subsidy proposal will be placed before Subsidy Sanctioning Committee for final approval of the subsidy component.

- The Subsidy Sanctioning Committee is comprised of representatives from NEDFi, IIFPT and SLA of the respective state.
- ■ A joint pre-sanction site inspection will be done by the Subsidy Sanctioning Committee.
- Based on the assessment of the physical progress/status of the project, the subsidy amount will be sanctioned and released on a pro-rata basis depending on the utilization of the beneficiary contributions.
- The subsidy is expected to be released in three (3) installments.
- Apart from pre sanction site inspection for a subsidy, NEDFi and other members of the Subsidy Sanctioning Committee will mandatory visit to the project sites before the disbursement of each subsidy installment or as and when required ■ The payment for plant & machinery and other major vendors will be made directly by NEDFi subject to maximum funds sanctioned against the individual unit to cover such costs.

Documents Required (Krishi Unnati Yojana - MOVCDNER)

- Check List of Documents to be submitted along with Subsidy claim Document No A-1 Forwarding letter of the beneficiary. The complete address of the beneficiary with telephone/ fax numbers / email. ■ Document No A-2 Copy of project report (DPR) with item-wise details of costs
- total outlay
- loan and margin submitted by the promoter. ■ Document No A-3 Copy of the approved plan/ map and civil drawings clearly indicating the dimensions and capacity of the infrastructure project. ■ Document No A-4 Invoices for purchase of machinery/equipment
- if any. ■ Document No A-5 Copy of land documents where the project is going to be established. ■ Document No A-6 Notarized Affidavit in Original executed by the promoter on a non-judicial stamp paper as suggested by State Lead Agency (SLA). ■ Document No A-7 Copy of duly registered partnership deed
- if it is a partnership firm
- Memorandum& Articles of Association and certificate of incorporation
- in case of Private Limited Company etc. In case of FPC: registration certificate as per Producer Company under Section 581(C) of Indian Companies Act
- 1956
- as amended in 2013. In case of FPO: Cooperative Societies Act/ Autonomous or Mutually Aided Cooperative Societies Act of the respective State. In case of FIG: Recommendation from SLA.

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