

## **MODALITIES FOR IMPLEMENTATION OF 'INTEGRATED COFFEE DEVELOPMENT PROJECT' DURING XII PLAN**

### **Introduction**

The Government of India has conveyed its approval for the Coffee Board's Scheme "Integrated Coffee Development Project" for implementation during the XII Five Year Plan (2012-2017), vide Letter No. 04/01/2013-Plant-B dated 18.12.2014.

The scheme has the following 10 components covering the broad areas of Coffee Board's operations viz., Research, Extension, development support, market development, export promotion and value addition.

- Component-1: Research & Development for Sustainable Coffee Production
- Component-2: Transfer of Technology and Capacity Building programmes
- Component-3: Development Support for Coffee in Traditional Areas
- Component-4: Coffee Development Programme (CDP) in Non-traditional Areas
- Component-5: Coffee Development Programme (CDP) in North East Region
- Component-6: Rainfall Insurance Scheme for Coffee (RISC)
- Component-7: Support for Mechanization of Coffee Estate Operations
- Component-8: Export Promotion
- Component-9: Market Development
- Component-10: Support for Value Addition

Among the above components, the components 3 to 10 primarily comprise extending subsidy/ financial incentives for various activities carried out by different stakeholders for improving the production, productivity and quality of coffee in the country and for promotion of Indian coffee in the export and domestic market.

The Coffee Board has finalised the modalities for implementation of subsidy/ financial incentives under various components, clearly describing the eligibility norms, unit costs and extent of support for various categories of stakeholders. The subsidy/ financial incentives under various components will be distributed by different departments of the Board depending on the types of activities/ beneficiaries. The implementation and monitoring of the subsidy schemes will be carried out as under.

### **Implementation and monitoring of the project**

1. The Secretary, Coffee Board will be the Nodal officer for implementation of 'Component-3: Development Support for Coffee in Traditional Areas'; 'Component-6: Rainfall Insurance Scheme for Coffee (RISC)' and 'Component-7: Support for Mechanization of Coffee Estate Operations'.

2. The Director of Research will be the Nodal Officer for implementation of 'Component-4: Coffee Development Programme (CDP) in Non-traditional Areas' and 'Component-5: Coffee Development Programme (CDP) in North East Region'
3. The Director of Finance will be the Nodal Officer for implementation of 'Component-8: Export Promotion'; 'Component-9: Market Development' and 'Component-10: Support for Value Addition'.
4. The Chairman, Coffee Board will periodically review the progress of implementation of various subsidy programmes of the scheme.
5. Auditing of accounts pertaining to the scheme will be done by IAP of Coffee Board as well as by external auditors from AG's office.
6. The technical evaluation of the schemes will be done at the end of the XII FYP by an independent expert team.
7. The Coffee Board reserves the right to amend, amplify or abrogate in its discretion any of the terms and conditions of the scheme without notice as it may consider necessary for efficient execution of the scheme and fulfilment of its objectives.
8. Applications of persons who resort to making offers, rewards, gifts or any material benefit or any coercion either directly or indirectly to influence the sanction process shall summarily be rejected. Similarly, legal action will be initiated for recovery with applicable interest against applicants who obtain the subsidy benefit by wilfully furnishing wrong / incorrect information, misrepresentation and suppression of information.

The modalities containing the details such as eligibility criteria, unit cost, scale of subsidy, release of subsidy, list of documents, procedure for claiming subsidy, processing of application and claims for the components involving subsidy support are presented in this document.

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## Modalities for implementation of

### Component 3: Development Support for Coffee in Traditional Areas

#### Sub Component 3.1.1: Replantation

**Objectives:** To improve the production and productivity of coffee plantations by encouraging replantation of old / senile and unproductive plantations.

##### 3.1.1.1. Eligibility criteria

- i) All categories of growers inclusive of corporates and cooperatives are eligible.
- ii) Applicable for Replantation of existing old / senile and low productive Arabica and Robusta coffee plantations aged 25 years in case of Arabica, 40 years in case of Robusta, 15 years in case of Arabica dwarfs by adopting either clean replanting or interlining in the existing blocks. Any exemptions can be referred to the concerned Joint Director (Extn.) with details, to be decided in consultation with the Head Office.
- iii) Inter-planting of Arabica in Robusta blocks with Robusta as main crop in case of clean replanting. In such cases, the subsidy will be considered as per the Robusta norms.
- iv) When interlined in the old blocks, the old / unproductive plants should be preferably removed after one harvest and under no circumstances beyond two harvests i.e., if interlining is done in August-September 2014, the old plants should be preferably uprooted after harvesting the standing crop by the months of December 2014 to March 2015 or after harvesting the second crop by December 2015 to March 2016. This would ensure that the newly interlined plants would not suffer too much of root competition and receive adequate sunlight for vigorous growth.
- v) Replacement of Arabica with Robusta at higher elevation of 1100 metres MSL and above is not eligible for support.
- vi) In case of small, homestead farms where mixed cropping with more than 3-4 plantation crops is a general norm, the extent of area eligible for replantation subsidy for coffee will be calculated on *pro rata* basis on the number of plants replanted. For example: tall Arabicas planted at 6x6ft spacing with square design should have 3000 plants for claiming subsidy equivalent to one hectare. Details regarding number of plants per unit area for different varieties and planting designs will be laid down by the Research Department of the Board.
- vii) As far as possible, the growers should adopt appropriate planting designs that are suitable for mechanization of farm operations. In case of the estates which adopt planting designs amenable to mechanization, the subsidy will be considered for the entire area of replanting and not based on the plant population.

viii) Corporates and cooperatives will be required to submit a comprehensive action plan for replantation with a clear objective of modernizing their entire holdings within a specific period of time with year wise breakup of targets.

#### **3.1.1.2. Unit Cost:**

- i) For Arabica - Rs.1,75,000/- per ha
- ii) For Robusta - Rs.1,25,000/- per ha.

#### **3.1.1.3. Scale of Subsidy:**

- i) For holdings upto 2 ha - 40% of the unit cost
- ii) For holdings of more than 2 ha and upto 10 ha - 30% of the unit cost
- iii) For holdings of above 10 ha - 25% of the unit cost  
(including cooperatives & corporates)

The level of applicable subsidy will be determined based on the total extent of area under coffee supported with relevant proof of land ownership records.

#### **3.1.1.4. Release of Subsidy installments**

- i) In case of clean replanting:
  - 1<sup>st</sup> installment - 60% of the applicable unit cost
  - 2<sup>nd</sup> installment - 40% of the applicable unit cost
- ii) In case of replantation by interlining method:
  - 1<sup>st</sup> installment - 30% of the applicable unit cost
  - 2<sup>nd</sup> installment - 70% of the applicable unit cost.

#### **3.1.1.5. Procedure for Claiming subsidy**

##### **Step 1 : Obtaining Technical Feasibility Report (TFR)**

- i) The applicant shall submit an application in the prescribed format (in duplicate) along with necessary documents to the office of JLO / SLO of the Coffee Board before taking up the activity.
- ii) The following documents are required to be submitted along with application for TFR.
  - A) Duly filled-in application in the prescribed format (in duplicate).
  - B) Proof of photo identity of the applicant/s such as copy of Aadhaar Card or Ration Card or Passport or PAN Card or Driving License or Election Photo Identity Card (EPIC) by the Election Commission etc.,

- C) Proof of Land Ownership in the form of any one of the following:
  - a) Copy of Patta / Khatha Extract along with RTCs for all Survey Nos. having coffee in possession of the applicant in respect of Karnataka.
  - b) Copy of Chitta & Adangal in respect of Tamil Nadu and copy of possession certificate issued by competent revenue authority in respect of Nilgiris
  - c) Copy of Land Possession Certificate issued by the competent Revenue authority of Kerala.
- D) In case the applicant is a GPA holder, notarized copy of the Registered GPA.

iii) The concerned office will scrutinize the documents, carryout field inspection and issue Technical Feasibility Report to the grower for taking up replantation activity or otherwise.

### **Step 2 : Claiming 1<sup>st</sup> installment of subsidy**

- i) The applicant shall submit the claim in the prescribed format (in duplicate) along with relevant documents during the same financial year of replanting as far as possible.
- ii) The following documents are required to be produced for claiming 1<sup>st</sup> installment
  - a) Claim Statement in the prescribed format (in duplicate).
  - b) Rough sketch of the estate along with check bandi / boundaries marked with clear demarcation of the replanted block / area duly signed by the applicant.
  - c) Expenditure statement duly signed by the applicant.
  - d) Copy of the Bank Pass Book having the details of account number, name of the Bank, branch, IFSC code etc.
- iii) The concerned office of the JLO / SLO will scrutinize the documents, carryout field inspection, prepare physical verification report with full details of the activity and forward the claim statement along with relevant records to the concerned Deputy Director (Extn).
- iv) The Deputy Director (Extn.) after scrutinizing the claim and records and on confirming the admissibility of the claim in all respects will release the 1<sup>st</sup> installment of replantation subsidy amount to the bank account of the applicant through EFT/RTGS/NEFT.

### **Step 3 : Claiming 2<sup>nd</sup> installment of subsidy**

- i) **Clean Replantation Method:** The applicant shall submit the claim for 2<sup>nd</sup> installment of subsidy in the prescribed format (in duplicate) along with relevant documents to the office of the JLO / SLO of the Coffee Board during the second year of replanting / financial year, after filling up of vacancies and attending to necessary after care measures.
- ii) **Replantation by Interlining method:** The applicant shall submit the claim for 2<sup>nd</sup> installment of subsidy in the prescribed format (in duplicate) along with relevant documents to the office of the JLO / SLO of the Coffee Board after harvesting a maximum of 2 crops from the old plants. The grower shall also ensure complete removal of all old plants before submitting the claim.

- iii) The following documents are required to be submitted along with claim for 2<sup>nd</sup> installment:
  - a) Claim Statement in the prescribed format (in duplicate).
  - b) Expenditure statement duly signed by the applicant.
- iv) The concerned office of the JLO / SLO shall carryout spot inspection of the replanted area and take the following actions.
  - a) In case of clean replantation, the JLO/SLO shall recommend for release of 2<sup>nd</sup> installment to the concerned DDE after ensuring satisfactory maintenance of the area alongwith filling up of vacancies.
  - b) In case of interlining method of replantation, the JLO/SLO shall recommend for release of 2<sup>nd</sup> installment to the concerned DDE after ensuring complete removal of old plants and satisfactory maintenance of the area along with filling up of vacancies.
  - c) In both the cases of clean replanting and interlining, deduction will be made as per the existing vacancies as on the date of investigation while recommending for release of subsidy.
- v) The Deputy Director (Extn.) after scrutinizing the claim and records and on confirming the admissibility of the claim, will release the 2<sup>nd</sup> installment of subsidy amount to the bank account of the applicant through EFT/RTGS/NEFT.

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## Modalities for implementation of

### Component 3: Development Support for Coffee in Traditional Areas

#### Sub Component 3.1.2. Expansion/ new planting

**Objectives:** To increase the production of coffee by encouraging expansion/ new planting of coffee in all the suitable areas.

##### 3.1.2.1. Eligibility criteria

- ix) All categories of growers inclusive of corporates and cooperatives are eligible.
- x) Applicable for new planting of both Arabica and Robusta
- xi) Inter-planting of Arabica in Robusta blocks with Robusta as main crop. In such cases, the subsidy will be considered as per the Robusta norms.
- xii) Planting of Robusta at higher elevations of 1100 metres MSL and above is not eligible for support.
- xiii) Applicable for inter-planting of coffee (Arabica or Robusta) as a mixed crop in Arecanut gardens in suitable areas of traditional coffee growing areas, the expansion subsidy will be calculated on *pro rata* basis on the number of coffee plants.
- xiv) In case of small, homestead farms where mixed cropping with more than 3-4 plantation crops is a general norm, the expansion subsidy will be calculated on *pro rata* basis on the number of coffee plants.
- xv) In all cases where the subsidy is based on the plant population, the extent of area eligible for expansion subsidy will be calculated on *pro rata* basis on the number of plants planted. For example: tall Arabicas planted at 6x6ft spacing with square design should have 3000 plants for claiming subsidy equivalent to one hectare. Details regarding number of plants per unit area for different varieties and planting designs will be laid down by the Research Department of the Board.
- xvi) The non-tribal coffee growers of non-traditional areas are also eligible.
- xvii) As far as possible, the growers should adopt appropriate planting designs that are suitable for mechanization of farm operations. In case of the estates which adopt planting designs amenable to mechanization, the subsidy will be considered for the entire area of planting and not based on the plant population.

The growers are encouraged to consult Board's extension officials regarding suitable varieties and planting designs before finalizing the expansion plan.

##### 3.1.2.2. Unit Cost

- i) For Arabica - Rs.1,75,000/- per ha
- ii) For Robusta - Rs. 1,25,000/- per ha.

### 3.1.2.3. Scale of Subsidy

- i) For holdings upto 2 ha - 40% of the unit cost
- ii) For holdings of more than 2 ha and upto 10 ha - 30% of the unit cost
- iii) For holdings of above 10 ha - 25% of the unit cost  
(including cooperatives & corporates)

The level of applicable subsidy will be determined based on the total extent of area under coffee inclusive of the area now proposed for expansion supported with relevant proof of land ownership records.

**3.1.2.4. Release of Subsidy:** The eligible subsidy will be released in two installments as under:

- 1<sup>st</sup> installment - 60% of the applicable unit cost
- 2<sup>nd</sup> installment - 40% of the applicable unit cost

### 3.1.2.5. Procedure for Claiming subsidy

#### Step 1: Obtaining Technical Feasibility Report (TFR)

- i) The applicant shall submit an application in the prescribed format (in duplicate) along with necessary documents to the office of JLO / SLO of the Coffee Board before taking up the activity.
- ii) The following documents are required to be submitted alongwith application for TFR.
  - A) Duly filled-in application in the prescribed format (in duplicate).
  - B) Proof of photo identity of the applicant/s such as copy of Aadhaar Card or Ration card or Passport or PAN Card Driving License or Election Photo Identity Card (EPIC) issued by the Election Commission etc.,
  - C) Proof of Land Ownership in the form of any one of the following:
    - a) Copy of Patta / Khatha Extract along with RTCs for all Survey Nos. having coffee in possession of the applicant in respect of Karnataka.
    - b) Copy of Chitta & Adangal in respect of Tamil Nadu and copy of possession certificate issued by competent revenue authority in respect of Nilgiris
    - c) Copy of Land Possession Certificate issued by the competent Revenue authority in respect of Kerala
  - D) In case the applicant is a GPA holder, notarized copy of registered GPA.



- iii) The concerned office will scrutinize the documents, carryout field inspection and issue Technical Feasibility Report to the grower for taking up expansion activity or otherwise.

**Step-2: Claiming 1<sup>st</sup> installment of subsidy**

- i) The applicant shall submit the claim in the prescribed format (in duplicate) along with relevant documents during the same financial year of expansion as far as possible.
- ii) The following documents are required to be produced for claiming 1<sup>st</sup> installment
  - e) Claim Statement in the prescribed format (in duplicate).
  - f) Rough sketch of the estate along with check bandi / boundaries marked with clear demarcation of the newly planted block / area duly signed by the applicant.
  - g) Endorsement from the Revenue Authorities for having applied for change of crop if the newly planted area is not classified as coffee land.
  - h) Expenditure Statement duly signed by the applicant.
  - i) Copy of the Bank Pass Book having the details of account number, name of the Bank, branch, IFSC code, etc.
- iii) The concerned office of the JLO / SLO will scrutinize the documents, carryout field inspection, prepare physical verification report with full details of the activity and forward the claim statement along with relevant records to the concerned Deputy Director (Extn).
- iv) The Deputy Director (Extn.) after scrutinizing the claim and records and on confirming the admissibility of the claim in all respects will release the 1<sup>st</sup> installment of expansion subsidy amount to the bank account of the applicant through EFT/RTGS/NEFT.

**Step 3 : Claiming 2<sup>nd</sup> installment of subsidy**

- i) The applicant shall submit the claim for 2<sup>nd</sup> installment of subsidy in the prescribed format (in duplicate) along with relevant documents to the office of the JLO / SLO of the Coffee Board during the second year of new planting, after filling up of vacancies and attending to necessary after care measures.
- ii) The following documents are required to be submitted along with claim for 2<sup>nd</sup> installment:
  - a) Claim Statement in the prescribed format (in duplicate).
  - b) Expenditure statement duly signed by the applicant.
  - c) Copy of the RTC showing coffee in the crop column
- iii) The concerned office of the JLO / SLO shall carryout spot inspection of the newly planted area and after ensuring satisfactory maintenance of the area along with filling up of vacancies.

- iv) While calculating the eligible amount of subsidy for 2<sup>nd</sup> installment, deduction will be made as per the existing vacancies as on the date of investigation while recommending for release of subsidy.
- v) The Deputy Director (Extn.) after scrutinizing the claim and records and on confirming the admissibility of the claim, will release the 2<sup>nd</sup> installment of subsidy amount to the bank account of the applicant through EFT/RTGS/NEFT.

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## Modalities for implementation of

### Component 3: Development Support for Coffee in Traditional Areas

#### Sub Component: 3.2.1: Water Augmentation

**Objective :** To improve the productivity of the coffee farms by facilitating the creation of infrastructure for irrigation.

##### 3.2.1.1. Eligibility

- i) All individual and joint ownership holdings in the names of family members (mother, father, wife and dependent children only) including partnership firms up to 20 Ha. size
- ii) Corporates and cooperatives are not eligible
- iii) Subsidy applicable for:
  - a) Water harvesting structures like water storage tank, open well with pump set, ring well with pump set, bore well with submersible pump set and
  - b) Procurement of irrigation equipment (sprinkler or drip).
- iv) Subsidy may be availed for any one of the water harvesting structures in combination with any of the irrigation equipments together at one time or at different times during the XII plan period.
- v) Construction of water storage tanks either above the ground level is allowed with pucca construction or below the ground level. However, eligible subsidy would be based on dimension of the water tank and unit cost applicable to the size of holdings.
- vi) The grower benefitted during the past 10 years for any of the activities under WAS component will not be eligible for the same activity. For example: If a grower has availed subsidy for water tank during the previous 10 year period, he is not entitled for the subsidy for water tank/ open well/ bore well. However he is eligible for other activities like irrigation equipment.
- vii) The infrastructure under water augmentation shall be created either within the estate or on any nearby land owned by the grower or family members (mother, father, wife and children only). When the facility/ facilities are being created in the land belonging to family member/s, letter of consent from the concerned owner should be submitted along with the application.

##### 3.2.1.2. Scale of subsidy:

25% of the unit cost subject to a ceiling of Rs.2.50 lakhs per beneficiary for all the components put together.

### 3.2.1.3. Unit costs:

The unit costs of different component of water augmentation are furnished in tables **WAS-1 to WAS-3**.

**Table - WAS 1**

**Details of Unit Cost & Subsidy amount for below ground level Water storage tank applicable to different sized holdings**

<b>Size of Holding (Ha.)</b>	<b>Recommended inner Dimension/ capacity of Water Tank (LxBxH)</b>	<b>Indicative Unit Cost (Rs.)</b>	<b>Subsidy Amount (Rs.)</b>
Up to 1.00 Ha.	30' x 30' x 10' (9000 Cft)	43000	10750
> 1 up to 2.00 Ha.	43' x 43' x 10' (18490 Cft)	89000	22250
> 2 up to 3.00 Ha.	53' x 53'x 10' (28090 Cft)	136000	34000
> 3 up to 4.00 Ha.	60' x 60'x 10' (36000 Cft)	174000	43500
> 4 up to 5.00 Ha.	68' x 68'x 10' ( 46240 Cft)	224000	56000
> 5 up to 6.00 Ha.	75' x 75'x 10' (56250 Cft)	273000	68250
> 6 up to 7.00 Ha.	81' x 81'x 10' (65610 Cft)	318000	79500
> 7 up to 8.00 Ha.	87' x 87'x 10' (75690 Cft)	367000	91750
> 8 up to 9.00 Ha.	92' x 92'x 10' (84640 Cft)	411000	102750
> 9 up to 10.00 Ha.	96' x 96'x 10' (92160 Cft )	447000	111750
>10 up to 11.00 Ha.	100'x100'x10' (100000 Cft)	485000	121250
>11 up to 12.00 Ha.	104'x104'x10' (108160 Cft)	495000	123750
>12 up to 13.00 Ha.	104'x104'x11' (118976 Cft)	586000	146500
>13 up to 14.00 Ha.	104'x104'x12' (129792 Cft)	641000	160250
>14 up to 15.00 Ha.	108'x108'x12' (139968 Cft)	691000	172750
>15 up to 16.00 Ha.	112'x112'x12' (150528 Cft)	743000	185750
>16 up to 17.00 Ha.	116'x116'x12' (160080 Cft)	797000	199250
>17 up to 18.00 Ha.	119'x119'x12' (169932 Cft)	839000	209750
>18 up to 19.00 Ha.	121'x121'x12' (181548 Cft)	867000	216750
>19 up to 20.00 Ha.	126'x126'x 12'(190512 Cft)	940000	235000

Note: The growers are at liberty to execute the tanks of any dimension as per their requirement. However, the quantum of subsidy shall be applicable based on the unit cost for the respective category of holding indicated in the above table or the actual size/ cost whichever is less.

**Table- WAS 2**

**Details of Unit Cost & Subsidy amount for Sprinkler / Drip Irrigation equipment applicable to different size of holdings**

<b>Category (in ha.)</b>	<b>Unit cost (Rs.)</b>	<b>Subsidy Amount (Rs.)</b>
Up to 1.00 Ha.	60000	15000
> 1 up to 2.00 Ha.	120000	30000
> 2 up to 3.00 Ha.	180000	45000
> 3 up to 4.00 Ha.	240000	60000
> 4 up to 5.00 Ha.	300000	75000
> 5 up to 6.00 Ha.	360000	90000
> 6 up to 7.00 Ha.	420000	105000
> 7 up to 8.00 Ha.	480000	120000
> 8 up to 9.00 Ha.	540000	135000
> 9 up to 10.00 Ha.	600000	150000
>10 up to 11.00 Ha.	640000	160000
>11 up to 12.00 Ha.	680000	170000
>12 up to 13.00 Ha.	720000	180000
>13 up to 14.00 Ha.	760000	190000
>14 up to 15.00 Ha.	800000	200000
>15 up to 16.00 Ha.	840000	210000
>16 up to 17.00 Ha.	880000	220000
>17 up to 18.00 Ha.	920000	230000
>18 up to 19.00 Ha.	960000	240000
>19 up to 20.00 Ha.	1000000	250000

**Note:** The growers are at liberty to purchase sprinkler unit as per their requirement. However, the quantum of subsidy shall be applicable based on the unit cost for each category of holding indicated in the above table or based on the actual cost whichever less.

**Table- WAS-3**

**Details of the unit cost and subsidy for Bore well / open Well / Ring well**

<b>Sl. No.</b>	<b>Activities</b>	<b>Unit Cost (Rs.)</b>	<b>Rate of Subsidy</b>
1	Bore well unit comprising drilling and installation of submersible motor with accessories including electrification	Rs.330 per feet with a ceiling of Rs.1,25,000/- per beneficiary	25% of unit cost
2	Open well / Ring well	Rs.2,400 per feet with a ceiling of Rs.75,000/- per beneficiary	25% of unit cost

Note: The growers are at liberty to execute the above work with any dimension as per their requirement. However, the quantum of subsidy shall be applicable based on the unit cost or the actual size/ cost executed whichever is less.

**3.2.1.4 Procedure for claiming subsidy**

**Step 1. Obtaining Technical Feasibility Report (TFR)**

- i) The applicant/s shall submit an application in the prescribed format (in duplicate) along with necessary documents to the office of JLO / SLO of the Coffee Board before taking up the activity.
- ii) The following documents are required to be submitted along with application for TFR.
  - A) Duly filled-in application in the prescribed format (in duplicate).
  - B) Proof of photo identity of the applicant/s such as copy of Aadhaar Card or ration card or PAN Card or Passport or Election Photo Identity Card (EPIC) or Driving License etc.,
  - C) Proof of Land Ownership in the form of any one of the following:
    - a) Copy of Patta / Khatha Extract along with RTCs for all Survey Nos. having coffee in possession of the applicant in respect of Karnataka.
    - b) Copy of Chitta & Adangal in respect of Tamil Nadu and Possession certificate issued by competent revenue authority in respect of Nilgiris.
    - c) Copy of Land Possession Certificate issued by the competent Revenue authority in respect of Kerala.
  - D) In case the applicant is a GPA holder, notarized copy of registered GPA.

- E) Letter of consent from the concerned family member/s, in case where the infrastructure is being created in the area not owned by the applicant.
  - i) In case of bore well, the grower can file the application for TFR and claim for subsidy together after taking up the activity.
  - ii) Rough sketch of the estate along with check bandi / boundaries marked with clear demarcation of the site where the activity is proposed to be taken up and duly signed by the applicant/s.
  - iii) Plan, specification and estimation for the proposed civil works (Water tank, Open well), given by the qualified engineer
  - iv) Original quotation in respect of bore well/purchase of machinery/equipment.

### **Step 2: Claiming subsidy**

- i) The applicant/s shall submit the claim in the prescribed format (in duplicate) along with relevant documents during the same financial year on completion of activity as far as possible.
- ii) The following documents are required to be produced for claiming the subsidy
  - a) Duly filled claim form (in duplicate)
  - b) Copy of the Technical Feasibility Report
  - c) Invoice / Bill (original) with TIN No. in case of Motors, Sprinkler unit and drip unit.
  - d) Work completion report alongwith executed specification and expenditure incurred for the civil works duly signed by the applicant and qualified engineer.
  - e) Expenditure statement in case of Open Well, Water Tank & Bore well
  - f) Copy of the Bank Pass Book having the details of account number, name of the Bank, branch, IFSC code, etc.
- iii) The concerned office of JLO / SLO will scrutinize the documents, carryout field inspection, prepare Physical Verification Report and after confirming the admissibility of the claim in all respects, forward the claim statement along with relevant records to the concerned Deputy Director (Extn).
- iv) The Deputy Director (Extn.) after scrutinizing the claim and records and on confirming the admissibility of the claim in all respects will release the eligible subsidy amount directly to the bank account of the applicant through EFT/RTGS/NEFT

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## Modalities for implementation of

### Component 3: Development Support for Coffee in Traditional Areas

#### Sub Component: 3.2.2. Quality Up-gradation

**Objective:** To extend incentives to coffee holdings for creation of infrastructure facilities for production of quality coffee.

##### 3.2.2.1. Eligibility Criteria

- i) All individual and joint ownership holdings in the names of family members (mother, father, wife and dependent children only) including partnership firms up to 20 Ha. size.
- ii) Corporates and cooperatives are not eligible.
- iii) Applicable for setting up of quality upgradation facilities like pulping unit, store house / godown and either mechanical drier or drying yard.
- iv) The pulping unit shall consist of conventional pulper, washer, motive power and accessories, fruit receiving vat, siphon tank, fermentation tank and pulping shed.
- v) Those availing subsidy for Eco-pulpers under Pollution Abatement component, are not eligible for subsidy for any of the activities under the Quality Upgradation component.
- vi) The mechanical drier shall consist of the drier with motive power like Electric pump set / Diesel Engine.
- vii) Subsidy may be availed for various activities at one time or at different times during the XII Plan period.
- viii) The grower benefitted during the past 10 years for any of the activities under QUP component will not be eligible for the same activity. For example: If a grower has availed subsidy for drying yard during the previous 10 year period, he is not entitled for the subsidy for drying yard or mechanical drier. However he is eligible for other activities like pulper, godown etc.
- ix) The infrastructure under quality upgradation shall be created either within the estate or on any nearby land owned by the grower or family members (mother, father, wife and children only). When the facility/ facilities are being created in the land belonging to family member/s, letter of consent from the concerned owner should be submitted along with the application.
- x) The non-tribal coffee growers of non-traditional areas are also eligible.



### 3.2.2.2 Scale of subsidy

20% of the unit cost subject to ceiling of Rs. 2.50 lakhs per beneficiary for all the components put together.

### 3.2.2.3. Unit cost

The unit costs for different activities under the Quality Upgradation component are furnished in tables QUP-1 to QUP-7.

**Table- QUP-1**

**Details of Unit Cost & Subsidy amount for Pulping unit (up to 2 Ha. Category)**

Category (in ha.)	Indicative Unit Cost (Rs.)	Subsidy Amount (Rs.)
Hand operated Baby pulper	16,000	3,200
Baby pulper operated with motive power	21,000	4,200

**Table -QUP-2**

**Details of item-wise Unit Cost & Subsidy amount for Pulping Unit (> 2 ha upto 4 Ha. Category)**

Category (in ha.)	Indicative Unit Cost (Rs.)	Subsidy Amount (Rs.)
Single Disc Pulper with suitable washer, motive power and accessories inclusive of taxes	160000	32,000
<b>Civil works</b>		
Roof over pulper (20' x 20') & Pulper machine platform	98600	19720
Fruit Receiving Tank (2 m x 2 m x 0.5 m)	31400	6280
Syphon Tank (1.25 m X 1.25 m x 1.25 m)	21000	4200
Fermentation Tank (2 m x 1.5 m x 0.5 m) - 3 Nos.	24000	4800
Recycling tank (2 m x 2 m x 2 m)	40000	8000
<b>Grand Total :</b>	<b>375000</b>	<b>75,000</b>

**Table-QUP-3**

**Details of item-wise Unit Cost & Subsidy amount for Pulping Unit (> 4 ha upto 10 Ha. Category)**

<b>Category (in ha.)</b>	<b>Indicative Unit Cost (Rs.)</b>	<b>Subsidy Amount (Rs.)</b>
Double Disc Pulper with suitable washer, motive power and accessories inclusive of taxes	240000	48,000
<b>Civil works</b>		
Roof over pulper (25' x 25') and pulper machine platform	114000	22800
Fruit Receiving Tank (3 m x 2 m x 0.5 m)	47000	9400
Syphon Tank (1.25 m X 1.25 m x 1.25 m)	34500	6900
Fermentation Tank (2 m x 1.5 m x 0.5 m) - 3 Nos.	34500	6900
Recycling tank (2 m x 2 m x 2 m)	40000	8000
<b>Grand Total</b>	<b>510000</b>	<b>102000</b>

**Table-QUP-4**

**Details of item-wise Unit Cost & Subsidy amount for Pulping (>10 ha upto 20 Ha. Category)**

<b>Category (in ha.)</b>	<b>Indicative Unit Cost (Rs.)</b>	<b>Subsidy Amount (Rs.)</b>
Three Disc Pulper with suitable washer, motive power and accessories inclusive of taxes	300000	60000
<b>Civil works</b>		
Roof over pulper (25' x 25') & Pulper machine platform	114000	22,800
Fruit Receiving Tank (3 m x 2 m x 0.5 m)	47000	9400
Syphon Tank (1.25 m X 1.25 m x 1.25 m)	34500	6900
Fermentation Tank (2 m x 1.5 m x 0.5 m) – 3 Nos.	34500	6900
Recycling tank (2 m x 2 m x 2 m)	40000	8000
<b>Grand Total :</b>	<b>570000</b>	<b>114000</b>

**Table – QUP-5**

**Details of Unit Cost & Subsidy amount for drying yard for different size of holdings**

<b>Size of Holdings</b>	<b>Dimension of Drying Yard (L x B)</b>	<b>Total Unit Cost (Rs.)</b>	<b>Subsidy Amount (Rs.)</b>
upto 1 Ha.	20' x 20' (400 Sft)	45000	9000
> 1 upto 2 Ha.	32' x 25' (800 Sft)	58000	11600
> 2 upto 3 Ha.	40'x 30' (1200 Sft)	122000	30500
> 3 upto 4 Ha.	46'x 35' (1610 Sft)	161000	40250
> 4 upto 5 Ha.	50'x 40' (2000 Sft)	198000	49500
> 5 upto 6 Ha.	60'x 40' (2400 Sft)	235000	58750
> 6 upto 7 Ha.	70'x 40' (2800 Sft)	273000	68250
> 7 upto 8 Ha.	80'x 40' (3200 Sft)	311000	77750
> 8 upto 9 Ha.	80'x 45' (3600 Sft)	347000	86750
> 9 upto 10 Ha.	80'x 50' (4000 Sft)	383000	95750
>10 upto 11 Ha.	80'x 53' (4240 Sft)	406000	101500
>11 upto 12 Ha.	80'x 57' (4560 Sft)	439100	109775
>12 upto 13 Ha.	85'x 57' (4845 Sft)	466000	116500
>13 upto 14 Ha.	85'x 60' (5100 Sft)	488000	122000
>14 upto 15 Ha.	85'x 63' (5355 Sft)	510000	127500
>15 upto 16 Ha.	90'x 63' (5670 Sft)	539000	134750
>16 upto 17 Ha.	90'x 66' (5940 Sft)	556000	139000
>17 upto 18 Ha.	90'x 69' (6210 Sft)	590000	147500
>18 upto 19 Ha.	95'x 68' (6460 Sft)	615000	153750
>19 upto 20 Ha.	95'x 70' (6650 Sft)	633000	158250

**Note:** The growers are at liberty to construct the drying yard as per their requirement. However, the quantum of subsidy shall be applicable based on the unit cost indicated in the above table for the respective holding size or based on the actual size / cost whichever less.

**Table–QUP-6****Details of Unit Cost and Subsidy amount for Mechanical driers**

Capacity	Indicative Unit Cost (Rs.)	Subsidy Amount (Rs.)
Up to 1000 kg/batch	300000	60000
1500kg/batch	600000	120000
2000 kg/batch	750000	150000
2500 kg/batch	1000000	200000
Above 3000 kg/batch	1250000	250000

**Table-QUP-7****The details of Unit Cost and Subsidy amount for Godown for different size of holdings**

Size of the Holding	Dimension (L x B x H)	Total Unit Cost (Rs.)	Subsidy Amount (Rs.)
Upto 1.00 Ha.	8'x 6'x12' (576 Cft)	140000	35000
> 1 upto 2.00 Ha.	10'x 9'6"x12' (1140 Cft)	185000	46250
> 2 upto 3.00 Ha.	12'x 12'x12' (1728 Cft)	229000	57250
> 3 upto 4.00 Ha.	20'x 9'6"x12' (2280 Cft)	261000	65250
> 4 upto 5.00 Ha.	20'x12'x12' (2880 Cft)	270000	67500
> 5 upto 6.00 Ha.	20'x14'6"x12' (3480 Cft)	360000	90000
> 6 upto 7.00 Ha.	21'x16'x12' (4032 Cft)	411000	102750
> 7 upto 8.00 Ha.	21'x18'x12' (4536 Cft)	449000	112250
> 8 upto 9.00 Ha.	21'x20'x12' (5040 Cft)	478000	119500
> 9 upto 10.00 Ha.	22'x21'x12' (5544 Cft)	514000	128500
>10 upto 11.00 Ha.	24'x21'x12' (6048 Cft)	545000	136250
>11 upto 12.00 Ha.	26'x21'x12' (6552 Cft)	564000	141000
>12 upto 13.00 Ha.	28'x21'x12' (7056 Cft)	592000	148000
>13 upto 14.00 Ha.	28'x22'6"x12' (7560 Cft)	624000	156000
>14 upto 15.00 Ha.	30'x22'x12' (7920 Cft)	648000	162000
>15 upto 16.00 Ha.	30'x23'x12' (8280 Cft)	673000	168250
>16 upto 17.00 Ha.	30'x24'x12' (8640 Cft)	694000	173500
>17 upto 18.00 Ha.	32'x24'x12' (9216 Cft)	723000	180750
>18 upto 19.00 Ha.	32'x25'x12' (9600 Cft)	743000	185750
>19 upto 20.00 Ha.	34'x25'x12' (10200 Cft)	767000	191750

**Note:** The growers are at liberty to construct the godown as per their requirement. However, the quantum of subsidy shall be applicable based on the unit cost indicated in the above table for the respective holding size or based on the actual size / cost whichever less.

### **3.2.2.4 Procedure for claiming subsidy**

#### **Step 1: Application for obtaining Technical Feasibility Report (TFR)**

- i) The applicant/s shall submit an application in the prescribed format (in duplicate) along with necessary documents to the office of JLO / SLO of the Coffee Board before taking up the activity.
- ii) The following documents are required to be submitted along with application for TFR.
  - A) Duly filled-in application in the prescribed format (in duplicate).
  - B) Proof of photo identity of the applicant/s such as copy of Aadhaar Card or Ration Card or Passport or PAN Card or Driving License or Election Photo Identity Card (EPIC) issued by the Election Commission etc.
  - C) Proof of Land Ownership in the form of any one of the following:
    - a) Copy of Patta / Khatha Extract along with RTCs for all Survey Nos. having coffee in possession of the applicant in respect of Karnataka.
    - b) Copy of Chitta & Adangal in respect of Tamil Nadu and copy of possession certificate from the competent revenue authority in Nilgiris.
    - c) Copy of Land Possession Certificate issued by the competent Revenue authority in respect of Kerala
  - D) In case the applicant is a GPA holder, attested copy of registered GPA
  - E) Letter of consent from the concerned family member/s, in case where the infrastructure is being created in the area not owned by the applicant.
- iii) Rough sketch of the estate along with check bandi / boundaries marked with clear demarcation of the site where the activity is proposed to be taken up and duly signed by the applicant/s.
- iv) Plan and Estimation with specification for the proposed civil works (pulper shed, drying yard/ drying shed, godown etc) given by a qualified engineer
- v) Original Quotation in respect of conventional pulpers and mechanical driers
- vi) The concerned office will scrutinize the documents, carryout field inspection and issue Technical Feasibility Report to the grower for taking up the quality upgradation activity.

## **Step 2 : Claiming subsidy**

- i) The applicant/s shall submit the claim in the prescribed format (in duplicate) along with relevant documents during the same financial year on completion of activity as far as possible.
- ii) The following documents are required to be produced for claiming the subsidy:
  - a) Copy of the Technical Feasibility Report
  - b) Invoice / Bill (original) with TIN No. in case of pulper and mechanical drier
  - c) Expenditure statement duly signed by the applicant.
  - d) Work completion report along with executed specification and expenditure incurred for the civil works duly signed by the applicant and qualified engineer.
  - e) Copy of the Bank Pass Book having the details of account number, name of the Bank, branch, IFSC code, etc.
- iii) The concerned office of the JLO / SLO will scrutinize the documents, carryout field inspection, prepare physical verification report with full details of the activity and forward the claim statement along with relevant records to the concerned Deputy Director (Extn).
- iv) The Deputy Director (Extn.) after scrutinizing the claim and records and on confirming the admissibility of the claim in all respects will release the 1<sup>st</sup> installment of replantation subsidy amount to the bank account of the applicant through EFT/RTGS/NEFT.

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## Modalities for implementation of

### Component 3: Development Support for Coffee in Traditional Areas

#### Sub Component 3.2.3: Eco Certification

**Objective:** To encourage coffee growers to improve quality for higher returns and improve access to high value specialty markets through production of eco-certified coffees.

An allied objective of this scheme is to encourage small growers to form groups/ collectives for taking up eco-certification that will facilitate creation of common facilities in future.

##### 3.2.3.1 Eligibility

- i) Individual growers owning upto 20 ha area and groups of small growers (SHGs, collectives) who obtain certification of their plantations for various sustainability and quality standards are eligible. Non tribal growers of NTAs with a holding size upto 20ha are also eligible.
- ii) Support is available for certification of estates as per Organic, Fair Trade, Rainforest Alliance, UTZ Certified, Bird friendly / Shade grown coffee standards or any other certification programmes notified by the Coffee Board.
- iii) Those claiming support for organic certification, should have been certified as per the National Programme for Organic Production (NPOP) standards, even if they are certified as per various international standards like EU Regulation, NOP (National Organic Programme of USA), JAS (Japanese Agriculture Standards) etc.
- iv) The Certificate should be obtained only from the Certification Agencies accredited by the respective Certification Programmes.

##### 3.2.3.2 Extent of support/ subsidy

###### 3.2.3.2(a) For organic certification

- i) For individual growers and groups of growers - 50% of the certification cost subject to a maximum of Rs.50,000/- per beneficiary/ group. The full extent of support of Rs.50,000/- would be available spread over more than one year during the plan period.

### 3.2.3.2 (b) For other eco-certifications

- i) For individual growers - 50% of the certification cost subject to a maximum of Rs.50,000/- for a period of one year only.
- ii) In case of groups of small growers, - 50% of the certification cost subject to a maximum of Rs.50,000/- per group. The full extent of support of Rs.50,000/- would be available spread over more than one year during the plan period.

### **3.2.3.3 Procedure for claiming subsidy**

- i) This incentive is provided only as backend support for those who obtain certification of their estates. However, in the case of organic certification, the costs incurred towards certification during in-conversion period are also eligible for support.
- ii) After obtaining certification by the accredited certification body/ agency, the grower / growers groups shall submit their application along with the following documents to the concerned office of the JLO / SLO of the Coffee Board.
  - A. Application in the prescribed format (in duplicate).
  - B. Proof of identify of the grower such as as copy of Aadhaar Card or Ration Card or Passport or PAN Card or Driving License or Election Photo Identity Card (EPIC) by the Election Commission etc.,
  - C. In case of growers groups (SHGs/ collectives) Certificate of incorporation/registration, memorandum of article of association/society as Grower Collective/SHG/ Cooperative issued by the authority concerned and Complete list/ details of members of the organization.
  - D. Copy of the certificate issued by the accredited Certification Agency
  - E. Land Ownership documents (any of the following)
    - a) Copy of Patta / Khatha Extract along with RTCs for all Survey Nos. having coffee in possession of the applicant in respect of Karnataka.
    - b) Copy of Chitta & Adangal in respect of Tamil Nadu and possession certificate from the competent authority of revenue in Nilgiris
    - c) Copy of Land Possession Certificate issued by the competent Revenue authority in respect of Kerala.
    - d) In case the applicant is a GPA holder, attested copy of registered GPA.
  - F. Original invoice / bill towards the fee towards the cost of certification
  - G. Proof of payment of certification costs
  - H. Copy of the Bank Pass Book containing the details of account number, name of the Bank, branch, IFSC code, etc.
- iii) The concerned JLO / SLO will scrutinize the documents, carryout field inspection for verification of books and records.



- iv) The JLO / SLO shall forward the claim along with Physical Verification Report and other relevant records to the concerned Deputy Director (Extn).
- v) The Deputy Director (Extn.) after scrutinizing the claim and records and on confirming about the admissibility of the claim in all respects will release subsidy amount to the beneficiary's bank account through NEFT.

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## Modalities for Implementation of

### Component 3 : Development Support for Coffee in Traditional Areas

#### Sub Component 3.3: Pollution Abatement

**Objective:** To provide support towards protection of environment in the coffee areas through avoidance of pollution by adopting eco-friendly pulpers (or) by implementation of pollution abatement measures as per Pollution Control Board norms.

The support for pollution abatement measures includes support towards two alternate components viz., installation of eco-pulpers or setting up of effluent treatment plants (ETPs) in estates where conventional pulpers are being used for wet processing of coffee.

#### 3.3.1 Support for Eco Pulpers

##### 3.3.1.1 Eligibility Criteria

- i) Applicable for all category of growers (individual and joint holdings) including corporates, collectives and co-operatives, who have not availed subsidy for conventional pulping units. Non tribal growers of NTAs also eligible.
- ii) Those who have availed subsidy for conventional pulpers during the last 10 years will be eligible for subsidy for eco pulpers after deducting the previously availed subsidy.
- iii) Those availing subsidy for Eco-pulpers are not eligible for subsidy for any of the activities under the Quality Upgradation component.
- iv) The pulpers which consume less than one litre of water per kg of Arabica fruit and less than 1.5 litres of water per kg of Robusta fruits are only considered as eco-pulpers for the purpose of subsidy.
- v) The cost of all the components of eco-pulpers such as water recycler, Screw conveyor, float separator, re-passer with rotary sieve for unpulped fruits, re-pass pulper, mucilage remover (vertical or friction type), screw conveyor for fruit skin and thick mucilage etc., cost of electric / diesel engines for running the machinery and cost of installation are considered to determine the extent of subsidy. However, subsidy is not available for individual components.

- vi) In the case of individual holdings, only the holdings of 10ha and above are eligible for subsidy for eco-pulpers, in view of high cost of these pulpers. Smaller holders can, however, avail the benefits in growers groups.
- vii) Setting up of eco-pulpers by growers groups will be preferred over individual units and such units will get priority in funding by the Coffee Board.

### 3.3.1.2. Unit cost

The unit costs of different capacity Eco-pulpers and eligible subsidy are furnished in table below.

**Table – Details of Unit Cost & Subsidy amount for Eco friendly pulpers**

Holding size	Capacity (kg/ hour)	Indicative Unit Cost (Rs)		Total indicative unit cost	Subsidy amount (Rs.)
		Cost of the eco pulper	Civil works		
10 Ha to 25 Ha.	1000 – 2000	9,30,000	2,70,000	12,00,000	4,80,000
Above 25 Ha	2500	12,50,000	2,70,000	15,20,000	5,00,000

### 3.3.1.3 Scale of Subsidy

40% of the unit cost subject to a maximum ceiling of Rs.5.00 lakh per unit.

## 3.3.2. Effluent Treatment Plant (ETP)

### 3.3.2.1 Eligibility

- i) Applicable for all category of growers for establishment of Effluent Treatment Plant (ETP) at estate level for treatment of effluent generated during wet processing of coffee through conventional pulping unit.
- ii) The growers who availed the benefit for ETP during the previous 10 years are not eligible.
- iii) The ETP being set up should meet the norms prescribed by the Central Pollution Control Board (CPCB).

### 3.3.2.2 Unit cost :

The unit costs for different dimensions of ETPs and eligible subsidy are furnished in table below:

**Table : Details of Dimensions of ETPs, Unit Cost & Subsidy amount for different sized holdings**

Size of Holding	Capacity (in cu. Meters)*	Total Unit Cost (Rs)	Subsidy Amount (Rs)
Up to 2 Ha.	$(1.5+18 +7.5 + 0) = 27 \text{ m}^3$	22000	8800
> 2 up to 4 Ha.	$(2.5+ 47.5 +15.75) = 65.75 \text{ m}^3$	42000	16800
> 4 up to 6 Ha.	$(3.0+60 +20 + 3) = 86 \text{ m}^3$	55000	22000
> 6 up to 8 Ha.	$(4.5+90 +30 + 4.5) = 99 \text{ m}^3$	62000	24800
> 8 up to 10 Ha.**	$(6 +105 +35+35+6) = 187 \text{ m}^3$	82000	32800
> 10 to 20 Ha.	$(9+189+63+9) = 270 \text{ m}^3$	650000	260000
> 20 to 30 Ha.	$(12+252+84+12) = 360 \text{ m}^3$	850000	340000
> 30 to 40 Ha.	$(16+300+100+16) = 432 \text{ m}^3$	1400000	500000
Above 40 Ha.	Based on actual requirement	Above 1400000	500000

**Note:** \*Capacity of the different tanks i.e., Neutralization & equalization tank, Anaerobic tank, Aerobic tank and settlement tank respectively.

\*\*The unit cost of ETPs for holdings up to 10 Ha. is worked out for excavation of earthen lagoons as well as lining of lagoons as per the specification of CPCB. The unit cost of ETPs for holdings above 10ha is worked out for construction of cement structures for different tanks like neutralization & equalization tank, anaerobic tank, aerobic tank and settlement tanks.

### 3.3.2.3. Scale of Subsidy

40% of the unit cost subject to a maximum of Rs.5.00 lakh per unit.

### 3.3.3 Procedure for claiming subsidy under Pollution Abatement

#### Step 1: Application for obtaining Technical Feasibility Report (TFR)

- i) The applicant/s shall submit an application in the prescribed format (in duplicate) along with necessary documents to the office of JLO / SLO of the Coffee Board before taking up the activity.

- ii) The following documents are required to be submitted along with application for TFR.
  - A) Duly filled-in application in the prescribed format (in duplicate).
  - B) Proof of photo identity of the applicant/s such as copy of Aadhaar Card or Ration card or Passport or PAN Card or Driving License or Election Photo Identity Card (EPIC) issued by the Election Commission etc.
  - C) Proof of Land Ownership in the form of any one of the following:
    - a) Copy of Patta / Khatha Extract along with RTCs for all Survey Nos. having coffee in possession of the applicant in respect of Karnataka.
    - b) Copy of Chitta & Adangal in respect of Tamil Nadu and copy of possession certificate from the competent revenue authority in Nilgiris.
    - c) Copy of Land Possession Certificate issued by the competent Revenue authority in respect of Kerala
  - D) In case the applicant is a GPA holder, attested copy of registered GPA
  - E) In case of growers groups (SHGs/ collectives) Certificate of incorporation/registration, memorandum of article of association/society as Grower Collective/SHG/ Cooperative issued by the authority concerned and Complete list/ details of members of the organization.
- iii) Rough sketch of the estate along with check bandi / boundaries marked with clear demarcation of the site where the activity is proposed to be taken up and duly signed by the applicant/s.
- iv) Plan, Estimation and specification for the proposed civil works from a qualified engineer
- v) Original Quotation in respect of Eco-pulpers
- vi) The concerned office will scrutinize the documents, carryout field inspection and issue Technical Feasibility Report to the grower for taking up the quality upgradation activity.

## **Step 2 : Claiming subsidy**

- i) The applicant/s shall submit the claim in the prescribed format (in duplicate) along with relevant documents during the same financial year on completion of activity as far as possible.
- ii) The following documents are required to be produced for claiming the subsidy

- a) Copy of the Technical Feasibility Report
  - b) Invoice / Bill (original) with TIN No. in case of Eco-pulper
  - c) Expenditure statement duly signed by the applicant.
  - d) Work completion report along with executed specification and expenditure incurred for the civil works duly signed by the applicant and qualified engineer.
  - e) Copy of the Bank Pass Book having the details of account number, name of the Bank, branch, IFSC code, etc.
- iii) The concerned office of the JLO / SLO will scrutinize the documents, carryout field inspection, prepare physical verification report with full details of the activity and forward the claim statement along with relevant records to the concerned Deputy Director (Extn).
- iv) The Deputy Director (Extn.) after scrutinizing the claim and records and on confirming the admissibility of the claim in all respects will release the subsidy amount to the bank account of the applicant through EFT/RTGS/NEFT.

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## Modalities for implementation of

### Component 3: Development Support for Coffee in Traditional Areas

#### Sub Component 3.4 : Interest Subsidy

**Objective:** To provide interest subvention to coffee growers on working capital loans so as to make their operations financially viable.

The total outlay of interest subsidy scheme should not exceed Rs.30 crores during the XII plan period.

##### 3.4.1 Eligibility:

- i) Growers owning upto 20ha who avail crop loans from any Commercial Banks, R.R.B's and Co-operative Banks for the years 2014-15, 2015-16 and 2016-17 crop seasons or as notified by Coffee Board from time to time.

##### 3.4.2 Scale of subsidy

- i) Upto 5% interest subsidy provided the interest rate payable by the growers after availing interest subsidy shall not be lower than 4%. For example, if a grower avails crop loan at 8% interest, he/she is eligible for interest subsidy of 4% only.
- ii) The maximum ceiling limit of subsidy is Rs.80,000/- per beneficiary for Arabica and Rs.60,000/- per beneficiary for Robusta during each financial year.
- iii) The period of calculation of subsidy is on financial year basis (April to March).

##### 3.4.3 Procedure for claiming of Interest Subsidy:

- i) All participating Banks shall prepare the claim proposals in the prescribed proforma along with a copy of the revenue document to establish the eligibility criteria.
- ii) The claims should be pertaining to the actual amount of loan disbursed and interest payable by the grower.
- iii) The duly filled in claim statements in soft and hard copies shall be submitted to the Deputy Director (Accounts), Coffee Board, Head Office, Bangalore.
- iv) The last date for submission of the subsidy claim by the banks to the Head Office, Coffee Board shall be 25<sup>th</sup> February of each year.
- v) The statements submitted beyond due date will not be considered.

#### **3.4.4 Procedure for release of subsidy:**

- i) The Deputy Director (Accounts) shall process, Pre-audit and verify the claims received from the Banks.
- ii) The Director of Finance shall accord sanction for the pre-audited claims.
- iii) The Plan Accounts, Coffee Board, Head Office, Bangalore shall effect transfer of subsidy funds through EFT to the concerned Banks under intimation to the concerned Managers of Lead Banks.
- iv) The concerned Bank Managers shall credit the sanctioned amount of subsidy to the Borrowers' account immediately and furnish Utilization Certificate for the subsidy amount.

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## **Modalities for implementation of**

### **Component 4: Coffee Development Programme in Non-Traditional Areas**

#### **4.1. Coffee Expansion**

**Objective:** To increase the area and production of Arabica coffee in association with the State level Nodal agencies like Integrated Tribal Development Agency (ITDA), Andhra Pradesh and the Soil Conservation Department, Odisha so as to facilitate afforestation in the Podu lands and to help settle the tribals on a permanent footing.

##### **4.1.1. Eligibility**

- i) Applicable to all growers of NTA in whose case the coffee development programme is implemented by ITDA in Andhra Pradesh and Soil Conservation Department in Odisha.

**4.1.2. Unit cost:** Rs. 1,00,000/- per ha.

**4.1.3. Scale of Subsidy:** 25% of unit cost i.e. Rs. 25,000/- per ha.

##### **4.1.4. Release of Installments**

1<sup>st</sup> installment - 60% during the first year (Rs.15,000/- Ha)

2<sup>nd</sup> installment - 40% during the second year (Rs.10,000/- Ha)

##### **4.1.5 Role of Coffee Board**

- i) Supply of quality seed coffee of suitable varieties.
- ii) Provide technical assistance to the growers and training of personnel of ITDA, AP and Soil Conservation Dept., Odisha.
- iii) Provide counterpart financial assistance towards expansion activity

##### **4.1.6 Role of ITDA, Paderu/ Soil Conservation Dept., Odisha**

- i) Identification of beneficiaries and suitable land
- ii) Advance shade planting
- iii) Procurement of seed coffee from Coffee Board and raising of coffee nurseries
- iv) Assisting growers in planting of coffee and all cultural operations.
- v) Providing assistance for taking up fencing of coffee farms to demarcate individual tribal holdings.
- vi) Furnishing of annual progress of area newly planted and financial achievement to the Coffee Board.

#### **4.1.7 Procedure for claiming subsidy:**

##### **By ITDA, Paderu, AP**

##### First Year:

- i) On completion of planting, the ITDA shall submit a village wise list of beneficiaries to the Deputy Director (Extn.), Paderu duly certifying the correctness of the claims during October of the planting year for releasing the first installment of subsidy.
- ii) To release 1<sup>st</sup> installment, no deduction will be made if the vacancies are in normal range i.e. 15% or less. But if the vacancies are above 15%, the amount equivalent to the vacancies above 15% will be deducted while recommending for release of 1<sup>st</sup> installment of subsidy. For example, if the vacancies are 25%, subsidy amount equivalent to only 10% will be deducted while releasing 1<sup>st</sup> installment.
- iii) The SLOs / JLOs shall undertake joint field inspections along with ITDA officials (at least 10% of the cases) and forward eligible claims to DDE, Paderu.
- iv) The Deputy Director (Extn.), Paderu shall scrutinize, compile the claims, recommend and forward the eligible claims to the Competent Authority of the Coffee Board for sanction.
- v) The JDE, Visakhapatnam shall supervise and monitor all these steps and provide necessary guidance and coordinate with ITDA.
- vi) The Coffee Board will release the eligible subsidy amount to the ITDA.
- vii) The ITDA shall ensure disbursement of subsidy to the concerned beneficiaries and furnish the utilization certificate to the Coffee Board before the end of the respective financial year.

##### Second Year

- i) The ITDA shall prefer the consolidated claim of subsidy to the Coffee Board in the prescribed format along with the list of beneficiaries duly certifying the satisfactory maintenance of the coffee block and completion of vacancy filling.
- ii) The SLOs / JLOs will undertake joint field inspections of the claims along with ITDA officials (at least 10%) and forward the eligible claims to the Deputy Director (Extn.), Paderu.
- iii) The Deputy Director (Extn.), Paderu shall scrutinize, compile the claims, recommend and forward the eligible claims to the Competent Authority of the Coffee Board for sanction.
- iv) To release 2<sup>nd</sup> installment, deduction will be made as per the existing vacancies as on the date of investigation while recommending for release of subsidy.
- v) The JDE, Visakhapatnam shall supervise and monitor all these steps and provide necessary guidance and coordinate with ITDA & Coffee Board.
- vi) The Coffee Board will release the eligible subsidy amount to the ITDA.

- vii) The ITDA shall ensure disbursement of subsidy to the concerned beneficiaries and furnish the utilization certificate to the Coffee Board before the end of the respective financial year.

## **By Soil Conservation Dept., Odisha**

### First Year

- i) On completion of planting, the Soil Conservation Dept., Odisha shall submit a village wise list of beneficiaries to the Deputy Director (Extn.), Paderu duly certifying the correctness of the claims during October of the planting year for releasing the first installment of subsidy.
- ii) To release 1<sup>st</sup> installment, no deduction will be made if the vacancies are in normal range i.e. 15% or less. But if the vacancies are above 15%, the amount equivalent to the vacancies above 15% will be deducted while recommending for release of 1<sup>st</sup> installment of subsidy. For example, if the vacancies are 25%, subsidy amount equivalent to only 10% will be deducted while releasing 1<sup>st</sup> installment.
- iii) The SLO/Extension Personnel will take up field inspection and forward the application to the DDE, Paderu with his report and recommendation for release of 1<sup>st</sup> installment.
- iv) The JDE, Visakhapatnam shall supervise and monitor all these steps and provide necessary guidance and coordinate with Soil Conservation Department.
- v) The DDE, Paderu will scrutinize the claims and will release the eligible subsidy amount to the beneficiaries.

### Second Year

- i) The Soil Conservation Dept., Odisha shall prefer the consolidated claim of subsidy to the Coffee Board in the prescribed format along with the list of beneficiaries duly certifying the satisfactory maintenance of the coffee block and completion of vacancy filling.
- ii) The SLO/Extension Personnel will scrutinize the records and take up field inspection and forward the application to the DDE, Paderu with his report and recommendation for release of 2<sup>nd</sup> installment.
- iii) To release 2<sup>nd</sup> installment of Expansion subsidy, deduction will be made as per the existing vacancies as on the date of investigation while recommending for release of subsidy.
- iv) The DDE, Paderu will scrutinize the claims and will release the eligible subsidy amount to the beneficiaries.

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## **4.2. Coffee Consolidation**

**Objective :** The main objective of consolidation is to improve the productivity of existing coffee holdings by gap filling/ rejuvenation followed with improved cultivation methods like application of compost, bush management, shade management, pest& disease control etc.

### **4.2.1 Eligibility**

- i) Applicable to all growers.
- ii) The holdings should be in bearing stage.
- iii) The vacancies should not be less than 25% in the given block meant for consolidation.
- iv) Implemented through Integrated Tribal Development Agency [ITDA] in AP and Soil Conservation Dept., Odisha (SCD).

**4.2.2 Unit cost:** Rs. 60,000/- per ha.

**4.2.3 Scale of Subsidy:** 25% of unit cost i.e. Rs. 15,000/- per ha.

### **4.2.4 Release of Installments**

- 1<sup>st</sup> installment - 60% during the first year of consolidation (Rs.9,000/Ha)
- 2<sup>nd</sup> installment - 40% during the second year of consolidation (Rs.6,000/Ha)

### **4.2.5 Role of Coffee Board**

- i) Providing technical assistance to ITDA, SCD and growers.
- ii) Supply of quality seed coffee of suitable varieties for gap filling.
- iii) Provide counterpart financial assistance towards consolidation/ rejuvenation of holdings

### **4.2.6 Role of ITDA, Paderu/ Soil Conservation Dept., Odisha**

- i) Identification of beneficiaries whose holding require consolidation
- ii) Procurement of seed coffee and raising of coffee nurseries
- iii) Assisting growers in vacancy filling and all cultural operations.
- iv) Ensuring adoption of improved cultivation methods like application of compost, bush management, shade management, pest& disease control etc. be the beneficiaries
- v) Furnishing of annual progress of area consolidated/ rejuvenated and financial achievement to the Coffee Board.

#### **4.2.7 Procedure for claiming subsidy:**

##### **By ITDA, Paderu, AP**

##### First Installment:

- i) On completion of vacancy filling and maintenance of the holdings in all aspects by adoption of improved cultivation methods like application of compost, bush management, shade management, pest& disease control etc., the ITDA shall submit a village wise list of beneficiaries to the Deputy Director (Extn.), Paderu duly certifying the correctness of the claims during October of the planting year for releasing the first installment of subsidy.
- ii) The SLOs / JLOs shall undertake joint field inspections along with ITDA officials (at least 10% of the cases) and forward eligible claims to DDE, Paderu.
- iii) The Deputy Director (Extn.), Paderu shall scrutinize, compile the claims, recommend and forward the eligible claims to the Competent Authority of the Coffee Board for sanction.
- iv) First installment will be released based on the existing population and the plant condition only. In case any vacancies are found in the claimed area, the amount equivalent to the percentage of vacancies will be deducted without giving any consideration for the vacancies.
- v) The JDE, Visakhapatnam shall supervise and monitor all these steps and provide necessary guidance and coordinate with ITDA.
- vi) The Coffee Board will release the eligible subsidy amount to the ITDA.
- vii) The ITDA shall ensure disbursement of subsidy to the concerned beneficiaries and furnish the utilization certificate to the Coffee Board before the end of the respective financial year.

##### Second Installment

- i) The ITDA shall prefer the consolidated claim of subsidy to the Coffee Board in the prescribed format along with the list of beneficiaries duly certifying the satisfactory maintenance of the coffee block and completion of vacancy filling and maintenance of the holdings in all aspects by adoption of improved cultivation methods like application of compost, bush management, shade management, pest& disease control etc.
- ii) The SLOs / JLOs will undertake joint field inspections of the claims along with ITDA officials (at least 10%) and forward the eligible claims to the Deputy Director (Extn.), Paderu.
- iii) The Deputy Director (Extn.), Paderu shall scrutinize, compile the claims, recommend and forward the eligible claims to the Competent Authority of the Coffee Board for sanction.
- iv) Like first installment, second installment will also be released based on the existing population and the plant condition only. In case any vacancies are found in the claimed area, the amount equivalent to the percentage of vacancies will be deducted without giving any consideration for the vacancies.

- v) The JDE, Visakhapatnam shall supervise and monitor all these steps and provide necessary guidance and coordinate with ITDA.
- vi) The Coffee Board will release the eligible subsidy amount to the ITDA.
- vii) The ITDA shall ensure disbursement of subsidy to the concerned beneficiaries and furnish the utilization certificate to the Coffee Board before the end of the respective financial year.

## **By Soil Conservation Department**

### First Installment

- i) On completion of vacancy filling and maintenance of the holdings in all aspects by adoption of improved cultivation methods like application of compost, bush management, shade management, pest& disease control etc., the SCD shall submit a village wise list of beneficiaries to the Deputy Director (Extn.), Paderu duly certifying the correctness of the claims during October of the planting year for releasing the first installment of subsidy.
- ii) The SLO/Extension Personnel will take up field inspection and forward the application to the DDE, Paderu with his report and recommendation for release of 1<sup>st</sup> installment.
- iii) First installment of consolidation subsidy will be released based on the existing population and the plant condition only. In case any vacancies are found in the claimed area, the amount equivalent to the percentage of vacancies will be deducted without giving any consideration for the vacancies.
- iv) The JDE, Visakhapatnam shall supervise and monitor all these steps and provide necessary guidance and coordinate with Soil Conservation Department.
- v) The DDE, Paderu will scrutinize the claims and will release the eligible subsidy amount to the beneficiaries.

### Second Year

- i) The Soil Conservation Dept., Odisha shall prefer the consolidated claim of subsidy to the Coffee Board in the prescribed format along with the list of beneficiaries duly certifying the satisfactory maintenance of the coffee block and completion of vacancy filling.
- ii) The SLO/Extension Personnel will scrutinize the records and take up field inspection and forward the application to the DDE, Paderu with his report and recommendation for release of 2<sup>nd</sup> installment.
- iii) The second installment of consolidation subsidy will be released based on the existing population and the plant condition only. In case any vacancies are found in the claimed area, the amount equivalent to the percentage of vacancies will be deducted without giving any consideration for the vacancies.
- iv) The JDE, Visakhapatnam shall supervise and monitor all these steps and provide necessary guidance and coordinate with Soil Conservation Department.
- v) The DDE, Paderu will scrutinize the claims and release the eligible installments of subsidy amount to the beneficiaries directly.

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### **4.3 Raising & Supply of Mixed Shade Tree Saplings through ITDA, AP/ Soil Conservation Department, Odisha and self help groups (SHGs)/ collectives of Tribal / Non-Tribal beneficiaries**

**Objective:** To encourage planting of mixed species of native trees / fruit yielding trees like mango, jack, syzygium, orange etc. in new coffee holdings so as to establish good evergreen shade canopy to increase soil fertility, moisture retention capacity and thereby increasing productivity levels and also provide additional revenue from fruit trees.

#### **4.3.1 Eligibility**

All the existing coffee plantations under mono shade.

#### **4.3.2. Scale of support**

- i) A sum of Rs.5/- per shade tree sapling
- ii) A maximum number of 100 shade tree saplings per acre

#### **4.3.3 Procedure for claiming subsidy (AP & Odisha)**

- i) The village wise requirement of shade tree saplings shall be worked out by the Nodal Agency (ITDA, AP/ Soil Conservation Dept., Odisha) / SHGs/ collectives of tribal & non-tribal beneficiaries.
- ii) The nodal agency/ beneficiary group shall initiate necessary steps to raise the required number of mixed shade tree saplings in different locations/ villages in the already established coffee areas.
- iii) After ensuring satisfactory growth of the saplings followed by distribution and planting of shade saplings in the field, the Nodal Agency (ITDA/ Soil Conservation dept.) / SHGs/ collectives of tribal & non-tribal beneficiaries shall prefer the claim indicating the village wise, variety wise number of shade saplings and submit to the concerned JLO/SLO.
- iv) In case of growers groups (SHGs/ collectives), the application should be supported by Certificate of incorporation/registration, memorandum of article of association/society as Grower Collective/SHG/ Cooperative issued by the authority concerned and Complete list/ details of members of the organization.
- v) JLO/SLO would undertake inspection and submit the inspection report along with the claim to the Deputy Director (Extension), Paderu by the end of October.
- vi) The Deputy Director (Extn.), Paderu shall scrutinize the claims and release the eligible amount @ Rs.5/sapling to the Nodal Agency (ITDA/ Soil Conservation dept.) / SHGs/ collectives of tribal & non-tribal beneficiaries.

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## **4.4 Support for Quality-Up-Gradation/ Eco-certification**

**Objective:** To facilitate improvement of quality of coffee produced by the tribal growers by encouraging them to put up infrastructure for quality improvement and also facilitate them to obtain certification of their coffees, so as to enable them to earn better returns.

This component has three major activities viz., supply of pulpers, construction of cement drying yards and eco-certification of coffee holdings.

### **4.4.1. Supply of Baby Pulpers**

#### 4.4.1.1 Eligibility

- i) All tribal growers
- ii) A grower is eligible for only one unit
- iii) Those who have availed the benefits during XI plan are not eligible

#### 4.4.1.2. Unit cost

Actual cost of the unit or Rs.16,000/- per unit whichever is less.

#### 4.4.1.3. Scale of support

50% of the unit cost.

#### 4.4.1.4. Procurement & Supply of Baby Pulpers through ITDA in Andhra Pradesh

- i) ITDA shall initiate suitable action for identification of the beneficiaries, obtaining applications and inviting tenders through the tendering process by observing all official formalities and placing the supply order.
- ii) Coffee Board will provide technical specification of the machinery.
- iii) After ensuring the supply and distribution of baby pulpers to the beneficiaries, the ITDA shall prefer claim for release of the subsidy from the Board along with copies of documents viz., list of beneficiaries, tender notification, supply order issued, invoice/ bill etc.
- iv) The Coffee Board will scrutinize the claim and release the subsidy to the ITDA.
- v) The ITDA shall furnish the utilization certificate to the Coffee Board for the amount released before the end of the respective financial year.

#### 4.4.1.5 Procurement & Supply of Baby Pulpers in Odisha

- i) The Soil Conservation Department shall initiate suitable action for identification of the beneficiaries.



- ii) On finalizing the rate for procurement each year by ITDA, Paderu after following all official formalities in Andhra Pradesh, respective ITDA in Odisha (ITDA, Koraput; ITDA, Rayagada etc.) may place purchase order to procure required number of Hand operated Baby pulpers to the same firm to which ITDA, Paderu has placed supply order. Otherwise, the ITDAs at Koraput/ Rayagada may follow the procedure for procurement of baby pulpers for the tribal growers of Odisha as stipulated under sl.no.4.4.1.4. for ITDA, AP.
- iii) After ensuring the supply and distribution of baby pulpers to the beneficiaries, the ITDA, Koraput/ ITDA, Rayagada shall prefer claim for release of the subsidy from the Board along with copies of documents viz., list of beneficiaries, tender notification, supply order issued, invoice/bill etc.
- iv) The Coffee Board will scrutinize the claim and release the subsidy to the ITDA.
- v) The ITDA shall furnish the utilization certificate to the Coffee Board for the amount released before the end of the respective financial year.

## 4.4.2 Construction of Cement Drying Yards

### 4.4.2.1. Eligibility

- All tribal Coffee growers are eligible.
- The grower should have a minimum of 0.20 Ha of area under coffee to become eligible for the benefit.
- The maximum size for the purpose of subsidy is limited to 400 Sq. ft.

### 4.4.2.2. Unit cost and scale of subsidy

Size of the holding	Dimension of the unit	Unit cost	Rate of Subsidy
Up to 2 Ha.	10' x 10' or (100 Sq. Ft)	Rs.15,000/-	50% of unit cost
2 Ha and above	20' x 20' or (400 Sq. Ft)	Rs.45,000/-	50% of unit cost

### 4.4.2.3 Procedure for claiming subsidy (Andhra Pradesh & Odisha)

- i) Coffee Board would identify the beneficiaries with the help of ITDA/ Soil Conservation Department and motivate the growers to construct cement drying yards.
- ii) The growers shall submit claims for drying yards in prescribed format of application alongwith necessary documents.
- iii) The JLO / SLO of the Coffee Board shall take up joint inspection with the ITDA officials /Soil Conservation Department officials and forward the claim along with the inspection report and other relevant documents to the DDE, Paderu.
- iv) The DDE shall scrutinize the claim, sanction and release the eligible amount of subsidy to the grower.

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#### **4.4.3. Support for Eco-Certification / Organic Certification:**

**Objective:** To encourage coffee growers to improve quality for higher returns and improve access to high value specialty markets through production of eco-certified coffees.

An allied objective of this scheme is to encourage small growers to form groups/ collectives for taking up eco-certification that will facilitate creation of common facilities in future.

##### **4.4.3.1. Eligibility**

- i) SHGs/ collectives of tribal growers who obtain certification of their plantations for various sustainability and quality standards.
- ii) Support is available for certification of estates as per Organic, Fair Trade, Rainforest Alliance, UTZ Certified, Bird friendly / Shade grown coffee standards or any other certification programmes equivalent to the above programs.
- iii) Those claiming support for Eco / organic certification, should have been certified as per the National Programme for Organic Production (NPOP) standards, even if they are certified as per various international standards like EU Regulation, NOP (National Organic Programme of USA), JAS (Japanese Agriculture Standards) etc.
- iv) The Certificate should be obtained only from the Certification Agencies accredited by the respective Certification Programmes during the XII plan period.

##### **4.4.3.2. Role of ITDA, Paderu / Soil Conservation Department, Odisha**

- i) The Nodal Agencies viz., ITDA, AP/ Soil Conservation Department, Odisha will identify the growers and form the SHGs/ grower groups.
- ii) The Nodal Agencies will contact the certifying agencies apart from helping the growers groups identified in obtaining certification as and when necessary from time to time.

##### **4.4.3.3. Role of Coffee Board**

- i) Provide technical support to the growers / growers groups for adoption of appropriate cultivation practices so as to enable them to obtain Eco certification.

##### **4.4.3.4. Scale of subsidy**

###### 4.4.3.4(a) For organic certification

75% of the certification cost spread over a period of 3 years or the Conversion period whichever is less during the XII Plan period.

###### 4.4.3.4(b) For other eco-certifications

75% of the certification cost for one year during the plan period.

#### **4.4.3.5. Procedure for claiming subsidy**

- i) This incentive is provided only as backend support for those who obtain certification of their estates. However, in the case of organic certification, the costs incurred towards certification during in-conversion period are also eligible for support.
- ii) After obtaining certification by the accredited certification body/ agency, the SHG/ growers groups of tribal growers or ITDA, Paderu / Soil Conservation Department, Odisha are required to submit their application along with a copy of the certificate and other relevant documents to the concerned office of the JLO / SLO of the Coffee Board.
- iii) The concerned JLO / SLO will scrutinize the documents, carryout field inspection for verification of books and records.
- iv) The JLO / SLO shall forward the claim along with Physical Verification Report and other relevant records to the concerned Deputy Director (Extn).
- v) The Deputy Director (Extn.) after scrutinizing the claim and records and on confirming about the admissibility of the claim in all respects will release subsidy amount to the beneficiary.

#### **4.4.3.6. List of Documents required for claiming Subsidy for Quality Improvement activities viz., Drying yards and eco-certification**

- a) Application in the prescribed format (in duplicate).
- b) In case of growers groups (SHGs/ collectives):
  - a. Certificate of incorporation/registration, memorandum of article of association/society as Grower Collective/SHG/ Cooperative issued by the authority concerned and Complete list/ details of members of the organization.
- c) Land Ownership documents like Land Possession/ ownership Certificate issued by the competent Revenue authority of AP / Odishain case of individual tribal growers availing subsidy for drying yards
- d) In case of eco-certification
  - a. Copy of the certificate issued by the accredited Certification Agency
  - b. Original invoice towards the cost of certification
  - c. Proof of payment of certification costs
- e) Copy of the Bank Pass Book containing the details of account number, name of the Bank, branch, IFSC code, etc.

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## **4.5 Market Support:**

**Objective:** The objective of the scheme is to extend support to the tribal growers, for taking up marketing of their coffee on community based approach, through suitable financial incentives.

An allied objective of this scheme is to encourage small tribal growers to form groups/ collectives for taking up marketing activities that will facilitate creation of common facilities in future.

It is expected to provide a mechanism for better price realization for the group, arising out of both the improvement of quality as well as collective bargaining.

### **4.5.1. Eligibility:**

- i) The SHGs/ collectives of tribal growers who undertake marketing of their coffee on their own or any Government Nodal Agency like ITDA/ GCC etc. which facilitate marketing of tribal coffee are eligible. In the latter cases, the actual procedure will be finalized in consultation with such state agencies.
- ii) The coffee marketing should be taken up in any of the following manner.
  - a. Through recognized public auction platforms like Indian Coffee Trade Association (ICTA)
  - b. Direct export by the growers groups/ nodal agency
  - c. Through the recognized Commodity Exchanges wherein, physical delivery of coffee takes place.

### **4.5.2. Unit cost**

A maximum amount of Rs.15/- per kg of clean coffee is project as unit cost towards the cost of marketing right from procurement of raw coffee at farm gate to final disposal of clean coffee.

### **4.5.3. Scale of subsidy:**

Rs.10/- per kg of clean coffee marketed by the growers groups/ Nodal Agencies.

### **4.5.4. Procedures for claiming subsidy for Marketing of coffee**

- i) After marketing of coffee, the growers groups/ Nodal Agencies would furnish the claim for reimbursement in the prescribed application along with the proofs/ supportive documents.

- ii) The application for subsidy should be submitted to the Deputy Director (Extension), Paderu
- iii) On scrutinization DDE shall forward the application to the Head Office for approval.

#### **4.5.5. Disbursement of subsidy**

- i) The subsidy is disbursed only after the sale of coffee is completed by the growers groups/ nodal agencies.
- ii) The coffee marketing should take place in clean coffee (green bean) form only.
- iii) Wherever the Govt. agencies like GCC / ITDA market the coffee of the growers the subsidy shall be released to the agencies directly.
- iv) Wherever the growers groups / Collectives / SHGs market their coffee the subsidy shall be released to the individual members directly to their bank account through NEFT in cases where the application is complete in all respects.

#### **4.5.6. List of Documents to be furnished**

- i) Application in prescribed format (Duplicate)
- ii) Certificate of incorporation/registration, memorandum of article of association/society as Growers' Collective/ SHG/ Cooperative issued by the authority concerned.
- iii) Complete list/ details of members of the organization as per Annexure 1.
- iv) Along with each claim for subsidy, the application should be accompanied with the details of the memberwise coffee sold.
- v) Certificate from the Growers' Collective/ SHG/ Cooperative stating that the concerned grower is the member of the organization.
- vi) Certificate from concerned state Government commercial tax department (VAT registration certificate) wherever applicable.
- vii) In addition to the above documents
  - A. In case of coffee marketed through the Auction platform/ Commodity Exchange
    - a) Registration certificate as member of ICTA / other recognized marketing auction platform (one time)
    - b) Proof of coffee sold– Attested copy of sale note issued by the auctioneers' concerned to the growers' collectives/ SHGs/ Cooperatives.
  - B. In case of coffee exported directly
    - a) Export permit having Customs endorsement
    - b) ICO certificate of origin having customs endorsement
    - c) Bill of Lading (BL)

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## **4.6 Support for Mechanization:**

**Objective:** To extend financial incentives to growers towards mechanization of farm operations to increase the labour efficiency and to facilitate timely cultural operations thereby contributing to overall farm productivity and sustainability of coffee farming.

### **4.6.1. Eligibility:**

- i) All tribal growers and groups of tribal growers are eligible
- ii) Support is available only towards small machinery like weed cutters and manual/ battery operated/ power sprayers.

### **4.6.2. Unit cost**

The cost of machinery will be notified by Coffee Board Head Office from time to time based on an elaborate procedure of empanelment of farm machineries and their suppliers.

### **4.6.3. Scale of subsidy**

75% of the unit cost.

### **4.6.4. Procedure for claiming subsidy**

The procedure for claiming subsidy will be same as followed under the scheme 'Support for Mechanization of coffee farm operations' in the traditional areas.

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## Modalities for Implementation of

### Component 5: Coffee Development Programme in North Eastern Region

#### 5.1 Expansion of Coffee

**Objective:** To facilitate afforestation in the Jhum lands and help to settle the tribals on permanent footing.

##### 5.1.1 Eligibility criteria

- i) All tribal growers
- ii) The area should be suitable for coffee cultivation as per the opinion of the Coffee Board's officers
- iii) The land records shall be in the name of the beneficiary.
- iv) The beneficiary should furnish the land records / possession certificate duly certified by the Village Authority / State Government Authority / Competent Authority.
- v) The seed material to be procured from the Coffee Board only

##### 5.1.2 Unit Cost:

Rs.70,000/- per ha.

##### 5.1.3 Scale of Subsidy:

50% of the Unit Cost i.e., Rs.35000/- per ha.

##### 5.1.4 Release of Subsidy:

In two installments:

1<sup>st</sup> installment - 60% of the unit cost

2<sup>nd</sup> installment - 40% of the unit cost

##### 5.1.5 Procedure for Claiming 1<sup>st</sup> instalment of subsidy

- i) The grower shall submit the following documents to the concerned Extension Office of the Coffee Board after completion of planting for claiming 1<sup>st</sup> instalment.
  - a) Application and Self Declaration duly filled-in and signed by the Applicant/s (in duplicate) in the prescribed format.
  - b) Proof of photo identity of the applicant/s such as copy of Driving License or Ration Card or Election Photo Identity Card (EPIC) issued by the Election Commission or Aadhaar Card or Passport or PAN Card, etc.
  - c) Proof of Land Ownership
  - d) Bank Account details viz., account number, bank name and branch, IFSC code
- ii) The concerned SLO/JLO Office shall scrutinize the documents, carryout field inspection, furnish the inspection report and forward the claim along with enclosures with recommendations either for sanction / rejection of the claim with justification for release of 1<sup>st</sup> instalment.

#### **5.1.6. Procedure for Claiming 2<sup>nd</sup> instalment of subsidy**

- i) The grower shall submit the prescribed format in duplicate to the concerned Extension Office of the Coffee Board during 2<sup>nd</sup> year of planting, after filling the vacancies.
- ii) The concerned SLO/JLO Office will scrutinize the documents, carryout field inspection, furnish the inspection report and forward the claim along with enclosures with recommendations either for sanction / rejection of the claim with justification for release of 2<sup>nd</sup> instalment.

#### **5.1.7 Procedure for payment of subsidy to the grower**

The Deputy Director (Extn.) after confirming about the admissibility of the claim, will release the 1<sup>st</sup> and 2<sup>nd</sup> installment of eligible subsidy amount, as the case may be, to the grower's bank account through EFT/RTGS/NEFT.

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## **Consolidation of Coffee :**

**Objective :** To increase the productivity of the existing coffee holdings by gap filling/ rejuvenation followed with improved cultivation methods like application of compost, bush management, shade management, pest& disease control etc.

### **5.2.1. Eligibility**

- i) All tribal growers
- ii) The area benefited by consolidation subsidy during XI Plan period is not eligible for subsidy during XII Plan.
- iii) The land records shall be in the name of the beneficiary.
- iv) The beneficiary should furnish the land records / possession certificate duly certified by the Village Authority / State Government Authority / Competent Authority.
- v) The seed material for gap filling / consolidation to be procured from the Coffee Board only

### **5.2.2 Unit Cost:**

Rs.40,000/- per ha.

### **5.2.3 Scale of Subsidy:**

50% of the Unit Cost i.e., Rs.20000/- per ha.

### **5.2.4 Release of Subsidy:**

In two installments:

1<sup>st</sup> installment - 60% of the unit cost

2<sup>nd</sup> installment - 40% of the unit cost

### **5.2.5 Procedure for Claiming 1<sup>st</sup> instalment of subsidy**

- i) The grower shall submit the following documents to the concerned Extension Office of the Coffee Board after completion of vacancy filling for claiming 1<sup>st</sup> instalment.
  - a) Application and Self Declaration duly filled-in and signed by the Applicant/s (in duplicate) in the prescribed format.
  - b) Proof of photo identity of the applicant/s such as copy of Driving License or Ration Card or Election Photo Identity Card(EPIC) issued by the Election Commission or Aadhaar Card or Passport or PAN Card, etc.
  - c) Proof of Land Ownership
  - d) Bank Account details viz., account number, bank name and branch, IFSC code
- ii) The concerned SLO/JLO Office shall scrutinize the documents, carryout field inspection, furnish the inspection report and forward the claim along with enclosures with recommendations either for sanction / rejection of the claim with justification for release of 1<sup>st</sup> instalment.

### **5.2.6 Procedure for Claiming 2<sup>nd</sup> instalment of subsidy**

- i) The grower shall submit the application in the prescribed format to the concerned Extension Office of the Coffee Board during 2<sup>nd</sup> year of vacancy filling.
  
- ii) The concerned SLO/JLO Office will scrutinize the documents, carryout field inspection, furnish the inspection report and forward the claim along with enclosures with recommendations either for sanction / rejection of the claim with justification for release of 2<sup>nd</sup> instalment

### **5.2.7. Procedure for payment of subsidy to the grower**

The Deputy Director (Extn.) after confirming about the admissibility of the claim, will release the 1<sup>st</sup> and 2<sup>nd</sup> installment of eligible subsidy amount, as the case may be, to the grower's bank account through EFT/RTGS/NEFT.

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### 5.3 Support for Group Nurseries:

**Objective:** To provide the growers with good quality coffee seedlings to ensure proper establishment of plantation

#### 5.3.1. Eligibility

- i) SHGs/ collectives of tribal growers
- ii) The seed material for raising coffee nursery shall be procured from the Coffee Board only.

#### 5.3.2. Scale of support

Rs.5/- per seedling

#### 5.3.3. Procedure for implementation

- i) The Extension Officers of the Coffee Board will motivate a group of tribal growers in each of the localities / villages to raise coffee nursery on community basis to cater to the requirement of seedlings for annual expansion and consolidation programmes.
- ii) The groups shall decide on the location of the nursery and the number of seedlings to be raised with the concurrence of the Extension Officer of the Coffee Board depending on the availability of water and other essential resources required for raising good nursery.
- iii) The group shall take the responsibility of motivating their group members for raising nursery and distributing the seedlings among the members.
- iv) The concerned Extension Officer shall estimate the cost involved in raising the group nurseries by ensuring that the cost of raising each healthy coffee seedling shall in no way exceed Rs.5/- which is inclusive of input cost and labour cost.
- v) The concerned Extension Officer shall submit the proposal containing the details of the number of seedlings to be raised, the expenditure involved etc., to the Deputy Director (E) who in turn shall consolidate the requirement for his region and submit to the Joint Director (E), Guwahati along with recommendations.
- vi) The Joint Director (E) shall consolidate the overall requirement for the NER and submit the proposal to the Director of Research along with recommendations.
- vii) The Director of Research shall scrutinize the proposal and submit to Head Office, Bangalore along with recommendations for sanction.
- viii) After sanction, the concerned Deputy Director (E) shall release the amount in a phased manner at different stages of raising of nurseries.

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## **Quality upgradation**

**Objective:** To facilitate improvement of quality of coffee produced by the growers by encouraging them to put up infrastructure for quality improvement and also facilitate them to obtain certification of their coffees, so as to enable them to earn better returns.

This component has three major activities viz., supply of pulpers, construction of cement drying yards and eco-certification of coffee holdings.

### **5.4.1 Supply of Baby Pulpers**

#### **5.4.1.1 Eligibility**

- i) All tribal growers
- ii) A grower is eligible for only one unit
- iii) Those who have availed the benefits during XI plan are not eligible
- iv) The land records shall be in the name of the beneficiary.
- v) The beneficiary should furnish the land records / possession certificate duly certified by the Village Authority / State Government Authority / Competent Authority.

#### **5.4.1.2 Unit Cost:**

Actual cost of the unit or Rs.16,000/- per unit whichever is less.

#### **5.4.1.3. Scale of Subsidy:**

75% of the Unit Cost

#### **5.4.1.4. Procedure for implementation**

- i) The Extension Officer shall identify the beneficiary / applicant and obtain the application for procurement & supply of baby pulper in the prescribed format (in duplicate) along with the land records and 25% of the unit cost of the baby pulper.
- ii) In case of procurement and supply of baby pulpurs by the State Government / Other Agencies, the Extension Officer shall obtain the details of beneficiaries along with 25% of the unit cost of the pulper.
- iii) The Extension Officer shall furnish the list of identified beneficiaries to the concerned Deputy Director (Extn.), who in turn shall consolidate the requirement of his region and forward to the Joint Director (Extn.), Guwahati.
- iv) The Joint Director (Extension), Guwahati shall complete the tendering process by observing all official formalities.
- v) The Joint Director (Extension), Guwahati shall obtain financial sanction from the Competent Authority and place the order with the accepted manufacturer for supply of required number of pulpurs with a condition that the manufacturer should supply the pulpurs to the growers by October.

- vi) The Extension Officers shall carry out inspection of the machinery at the growers' field and submit the physical verification report to the concerned Deputy Director (Extn.) / Joint Director (Extn.), Guwahati for effecting payment to the suppliers.

## 5.4.2 Drying yards

### 5.4.2.1 Eligibility

- i) All tribal growers
- ii) Those who have availed the benefits during XI plan are not eligible
- iii) The land records shall be in the name of the beneficiary.
- iv) The beneficiary should furnish the land records / possession certificate duly certified by the Village Authority / State Government Authority / Competent Authority.

### 5.4.2.2 Unit Cost and scale of subsidy:

Size of the holding	Dimension of the unit	Unit cost	Rate of Subsidy
Up to 2 Ha.	10' x 10' or (100 Sq. Ft)	Rs.15,000/-	75% of unit cost
2 Ha and above	20' x 20' or (400 Sq. Ft)	Rs.45,000/-	75% of unit cost

### 5.4.2.3 List of documents required

### 5.4.2.3 Procedure for implementation

- i) The beneficiary / applicant shall submit the following documents for availing subsidy towards construction of drying yard after taking up the activity.
  - a) Application in the prescribed format (in duplicate).
  - b) Copy of the photo identity cards like Adhaar card or Ration card or Passport or Election Photo Identity Card (EPIC) or Driving license etc..
  - c) Work completion report and expenditure statement by the applicant
  - d) Copy of the Bank Pass Book having the details of account number, name of the Bank, branch, IFSC code, etc.
- ii) The Extension Officer shall scrutinize the documents and carryout field inspection and forward the application along with the physical verification report recommending for either release of eligible subsidy (50%) or for rejection as the case may be, to the concerned Deputy Director (Extn).
- iii) The Dy. Director (Extension) after scrutinizing and satisfying about the admissibility of the claim shall release the applicable subsidy to the concerned beneficiary by way of electronic fund transfer (EFT).

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## 5.5. Water Augmentation

**Objective:** To improve the productivity and quality of coffee by facilitating the creation of infrastructure for water augmentation for irrigation and wet processing of coffee .

### 5.5.1 Eligibility

- i) All tribal growers
- ii) The land records shall be in the name of the beneficiary.
- iii) The beneficiary should furnish the land records / possession certificate duly certified by the Village Authority / State Government Authority / Competent Authority.

### 5.5.2 Activities Eligible for Subsidy

- i. Water storage tank / open well with pump set / ring well with pump set / bore well with submersible pump set and irrigation equipment (sprinkler / drip) to improve production, productivity & quality.
- ii. The amount of eligible subsidy for water harvesting structures and sprinkler units is 75% of the unit cost subject to a maximum ceiling limit under the water augmentation scheme for all the activities put together shall be restricted to Rs.1.25 lakh.
- iii. The construction of water storage tank could be either below or above the ground level.
- iv. In case of water storage tank below the ground level, the eligible subsidy shall be based on the dimension and unit cost applicable to the size of holding whichever is lower.
- v. In case of water storage tank above the ground level, the eligible subsidy shall be based on either the actual cost of the water tank or the unit cost applicable to the below the ground water tank whichever is lower.
- vi. The water augmentation structures shall have to be on the estate / within the vicinity of the estate.
- vii. The growers may avail the subsidy for water harvesting structure and for irrigation equipment together at one time or at different times.

### 5.5.3 Unit Cost and scale of subsidy for water harvesting structures

Size of Holding (Ha.)	Dimension of Water Tank (LxBxH)	Total Unit Cost (Rs.)	Subsidy Amount
Up to 2 Ha.	30' x 30' x 10' (9000 Cft.)	43,000.00	75% of the unit cost
2 Ha to 4 Ha & above	43' x 43' x 10' (18490 Cft.)	89,000.00	75% of the unit cost

The dimension and unit cost indicated for construction of water storage tank are only for the purpose of extending subsidy under the scheme. The growers are at liberty to execute the tanks of any dimension.

#### 5.5.4 Unit Cost and scale of subsidy for sprinkler unit

Size of Holding (Ha.)	Total Unit Cost (Rs.)	Subsidy Amount
Up to 1.00 Ha.	60,000	75% of the unit cost
1.00 to 2.00 Ha. & above	1,20,000	75% of the unit cost

**Note:** The growers are at liberty to purchase sprinkler unit as per their requirement. However, the quantum of subsidy shall be applicable based on the unit cost for each category of holding indicated in the above table or based on the actual cost whichever less.

#### 5.5.5 List of documents required

Application in the prescribed format (in duplicate).

Invoice / Bill (original) with TIN No. in case of Bore well pump set, Machinery and Sprinkler Equipment.

Work completion report and expenditure statement signed by the applicant

#### 5.5.6 Procedure for claiming subsidy

- i) The beneficiary / applicant shall submit the following documents for claiming subsidy in the prescribed after taking up the activity.
  - a) Application in the prescribed format (in duplicate).
  - b) Invoice / Bill (original) with TIN No. in case of Bore well pump set, Machinery and Sprinkler Equipment.
  - c) Work completion report and expenditure statement signed by the applicant
  
- ii) The Extension Officer shall scrutinize the documents and carryout field inspection and forward the application along with the physical verification report and all relevant documents recommending for either release of eligible subsidy or for rejection as the case may be, to the concerned Deputy Director (Extn).
  
- iii) The Dy. Director (Extension) after scrutinizing and satisfying about the admissibility of the claim shall release the applicable subsidy to the concerned beneficiary by way of electronic fund transfer (EFT).

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## 5.6 Market Support

### i) Collection & storing of Coffee:

- a) The Extension Officer will collect coffee in the form of either parchment or cherry from the growers and store at the collection centres / temporary godown which are hired for a temporary period.
- b) A sum of Rs.2/kg of parchment or cherry coffee would be accounted as transport subsidy for transport of coffee by the growers from the farm gate to the collection centres.

### ii) Transportation to curing units:

- a) The Extension Officer will transport coffee from the collection centre / temporary godowns to the coffee processing units at Guwahati / Kolasib for further curing by inviting quotations / tendering process after observing all official formalities.
- b) In case the growers themselves transport coffee directly to the curing units, they will be paid a sum of Rs.2/kg of parchment or cherry coffee as transport subsidy from a distance of 100kms and Rs.3/kg for a distance of more than 100kms.
- c) Initial payment would be made to the growers at appropriate rates by the Coffee Board

iii) **Curing:** Coffee will be cured at the designated processing units.

### iv) Transportation to warehouse:

The cured coffee will be transported to the identified warehouse and stored till its disposal.

### v) Disposal of the Produce:

- a) The cured coffee received from NE Region will be sold through ICTA Auction or other approved transparent means.
- b) Final payment will be made to the growers after deducting the initial payment



**vi) Expenditure and subsidy:**

- a) A sum of Rs.20/- per kg of parchment or cherry coffee is the maximum unit cost estimated to be involved under the Market Support Scheme. Of which, the Coffee Board, extends 75% i.e., a sum of Rs.15/- per kg of parchment or cherry coffee collected, cured, transported and disposed through ICTA or other approved transparent means.
  
- b) The remaining cost incurred by the Coffee Board over and above the 75% of the unit cost shall be deducted from the final payment to be paid to the growers.

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## **5.7 Support for Mechanization**

**Objective:** To extend financial incentives to growers towards mechanization of farm operations to increase the labour efficiency and to facilitate timely cultural operations thereby contributing to overall farm productivity and sustainability of coffee farming.

### **5.7.1. Eligibility:**

- i) All tribal growers and groups of tribal growers are eligible
- ii) Support is available only towards small machinery like weed cutters and manual/ battery operated/ power sprayers.

### **5.7.2. Unit cost**

The cost of machinery will be notified by Coffee Board Head Office from time to time based on an elaborate procedure of empanelment of farm machineries and their suppliers.

### **5.7.3. Scale of subsidy**

75% of the unit cost.

### **5.7.4. Procedure for claiming subsidy**

The procedure for claiming subsidy will be same as followed under the scheme 'Support for Mechanization of coffee farm operations' in the traditional areas.

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## **5.8. Support for Eco-Certification / Organic Certification:**

**Objective:** To encourage coffee growers to improve quality for higher returns and improve access to high value specialty markets through production of eco-certified coffees.

An allied objective of this scheme is to encourage small growers to form groups/ collectives for taking up eco-certification that will facilitate creation of common facilities in future.

### **5.8.1. Eligibility**

- i) SHGs/ collectives of tribal growers who obtain certification of their plantations for various sustainability and quality standards.
- ii) Support is available for certification of estates as per Organic, Fair Trade, Rainforest Alliance, UTZ Certified, Bird friendly / Shade grown coffee standards or any other certification programmes equivalent to the above programs.
- iii) Those claiming support for Eco / organic certification, should have been certified as per the National Programme for Organic Production (NPOP) standards, even if they are certified as per various international standards like EU Regulation, NOP (National Organic Programme of USA), JAS (Japanese Agriculture Standards) etc.
- iv) The Certificate should be obtained only from the Certification Agencies accredited by the respective Certification Programmes during the XII plan period.

### **5.8.2. Scale of subsidy**

#### 5.8.2 (a) For organic certification

75% of the certification cost spread over a period of 3 years or the Conversion period whichever is less during the XII Plan period.

#### 5.8.2 (b) For other eco-certifications

75% of the certification cost for one year during the plan period.

### 5.8.3. Procedure for claiming subsidy

- i) This incentive is provided only as backend support for those who obtain certification of their estates. However, in the case of organic certification, the costs incurred towards certification during in-conversion period are also eligible for support.
- ii) After obtaining certification by the accredited certification body/ agency, the SHG/ growers groups of tribal growers shall submit the following documents to the concerned office of the JLO / SLO of the Coffee Board.
  - a) Application in the prescribed format (in duplicate).
  - b) Certificate of incorporation/registration, memorandum of article of association/society as Grower Collective/SHG/ Cooperative issued by the authority concerned and Complete list/ details of members of the organization.
  - c) Copy of the certificate issued by the accredited Certification Agency
  - d) Original invoice towards the cost of certification
  - e) Copy of the Bank Pass Book containing the details of account number, name of the Bank, branch, IFSC code, etc.
- iii) The concerned JLO / SLO will scrutinize the documents, carryout field inspection for verification of books and records.
- iv) The JLO / SLO shall forward the claim along with Physical Verification Report and other relevant records to the concerned Deputy Director (Extn).
- v) The Deputy Director (Extn.) after scrutinizing the claim and records and on confirming about the admissibility of the claim in all respects will release subsidy amount to the beneficiary.

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## Modalities for implementation of

### Component - 6: Rainfall Insurance Scheme for Coffee (RISC)

**Objective:** To provide effective risk management aid to those coffee growers likely to be impacted by adverse rainfall incidence.

The Rainfall Insurance Scheme for Coffee (RISC) is a unique rainfall based insurance scheme specially designed for the coffee growers of the country. This Scheme has been designed by the Agriculture Insurance Company of India Limited (AIC) in consultation with Coffee Board and the Coffee Growers Associations. The most important benefits of RISC are:

1. Trigger events like adverse rainfall can be independently verified and measured.
2. The parameters considered in designing this insurance product are relevant, appropriate and to a large extent captures the rainfall induced risks affecting Coffee production.
3. Allows for speedy settlement of indemnities.

#### 6.1. Eligibility

- i. All the coffee growers in the country are eligible to buy the insurance.
- ii. The small growers owning up to 10ha are eligible for subsidy support towards premium payable by them from the Government of India and the respective State Governments.
- iii. The medium and large growers can subscribe to the scheme by paying full premium.

#### 6.2. Scope of Coverage

The policy compensates the insured, against the likelihood of diminished coffee output / yield resulting from shortfall / excess in the actual rainfall (as the case may be) for different coverage options within a specific geographical location and specified time period, subject to a maximum of the Sum Insured specified in the policy under each of the coverage options. RISC provides the following four coverage options:

Blossom Shower Insurance – covers risks against deficit rainfall  
Backing Shower Insurance – covers risks against deficit rainfall  
Monsoon rainfall Insurance – covers risks against excess rainfall  
Post - Monsoon rainfall Insurance – covers risks against excess rainfall

#### 6.3. Options to choose

The Insurance options available during the season are

- (1) Blossom Showers;
- (2) Backing Showers;
- (3) Monsoon Showers
- (4) Post Monsoon Showers.

A grower can subscribe for the insurance cover either for any of the individual options (except for standalone backing showers option) or for a combination of options as shown below:

- (i) Blossom Showers
- (ii) Monsoon Showers
- (iii) Post-Monsoon Showers
- (iv) Blossom & Backing Showers
- (v) Blossom & Monsoon Showers
- (vi) Blossom, Backing & Monsoon Showers
- (vii) Blossom, Backing, Monsoon & Post Monsoon Showers
- (viii) Monsoon & Post Monsoon Showers

#### 6.4. Sum Insured

##### (a) For coffee grown in the Traditional Areas

Maximum sum insured per hectare for Arabica and Robusta varieties shall be Rs.40,000 and Rs.30,000 respectively for covering all risk options like Blossom, Backing, Monsoon & Post Monsoon phases. This is the maximum indemnity that AIC will pay in all under each cover note / policy. The phase-wise break-up is as follows:

<b>Phase</b>	<b>Arabica</b>	<b>Robusta</b>
Blossom Showers	Rs. 10,000	Rs. 8,000
Backing Showers	Rs. 6,000	Rs. 4,000
Monsoon Showers	Rs. 14,000	Rs. 10,000
Post Monsoon Showers	Rs. 10,000	Rs. 8,000
<b>Total</b>	<b>Rs. 40,000</b>	<b>Rs. 30,000</b>

##### (b) For coffee grown in the NTA (AP & Odisha) & NER

Maximum sum insured per hectare shall be Rs.40,000 for high yielding estates of NTA and Rs.20,000 per ha for other estates of NTA as well as NER for coverage of all risk options like Blossom, Backing, Monsoon & Post Monsoon phases. This is the maximum indemnity that AIC will pay in all under each cover note / policy. The phase-wise break-up is as follows:

<b>Phase</b>	<b>High yielding estates in NTA</b>	<b>Other estates in NTA &amp; NER</b>
Blossom Showers	Rs.14,000	Rs. 7,000
Backing Showers	Rs. 10,000	Rs. 5,000
Monsoon Showers	Rs. 8,000	Rs. 4,000
Post Monsoon Showers	Rs. 8,000	Rs. 4,000
<b>Total</b>	<b>Rs. 40,000</b>	<b>Rs. 20,000</b>

## 6.5. Premium

Premium chargeable would be statistically/ actuarially calculated based on the type of coffee crop, location, the coverage sought, the past rainfall pattern in the specified geographical area and the acreage under cultivation. Those growers who buy all four phases together would save on the premium. This would be finalized for each year by AIC in consultation with the Coffee Board and stakeholders before the commencement of the marketing season.

Premium table for 3 sample coffee zones are shown below as an example:

<b>State:</b>	<b>Andhra Pradesh</b>			<b>Karnataka</b>			<b>Karnataka</b>		
<b>District:</b>	<b>Visakhapatnam</b>			<b>Chikmagalur</b>			<b>Chikmagalur</b>		
<b>Coffee Zone:</b>	<b>Araku Vally</b>			<b>Mudigere</b>			<b>Mudigere</b>		
<b>Variety :</b>	<b>Low Yielding Variety</b>			<b>Robusta</b>			<b>Arabica</b>		
<b>Option</b>	<b>Sum Insured (Rs)</b>	<b>Gross Premium (Rs)</b>	<b>Premium (%)</b>	<b>Sum Insured (Rs)</b>	<b>Gross Premium (Rs)</b>	<b>Premium (%)</b>	<b>Sum Insured (Rs)</b>	<b>Gross Premium (Rs)</b>	<b>Premium (%)</b>
Blossom	7000	322	5%	8000	2362	30%	10000	1503	15%
Monsoon	4000	540	14%	10000	744	7%	14000	1145	8%
Post Monsoon	4000	859	21%	8000	368	5%	10000	1503	15%
Blossom and Backing	12000	552	5%	12000	3458	29%	16000	3017	19%
Blossom and Monsoon	11000	767	7%	18000	2818	16%	24000	2303	10%
Blossom, Backing and Monsoon	16000	989	6%	22000	3914	18%	30000	3778	13%
<b>Blossom, Backing, Monsoon and Post Monsoon</b>	<b>20000</b>	<b>1776</b>	<b>9%</b>	<b>30000</b>	<b>4126</b>	<b>14%</b>	<b>40000</b>	<b>4610</b>	<b>12%</b>
Monsoon & Post Monsoon	8000	1342	17%	18000	977	5%	24000	2159	9%

The premium differs from zone to zone and year to year as per the historical rainfall data of the zone. The farmers can choose all the 4 options / combinations of phases or individual option with respective sum insured.

## 6.6. Premium Subsidy

- i. The Coffee Board will extend premium subsidy to all small coffee growers with plantation size upto 10 hectares in all the coffee growing districts during 12<sup>th</sup> Plan period.
- ii. The sharing of insurance premium and subsidy pattern by the Central Govt. and State Governments is as follows.

Category of Growers	Central Govt.	State Govt.*	Grower contribution
NE States (all Small Growers) (upto 10 Ha)	75%	15%	10%
SC/ST Small Growers (other than NE States)	60%	25%	15%
Other Small Growers (upto 10 Ha)	50%	25%	25%

\* In case any State Government is not willing to bear its share of Subsidy, the same shall be borne by the concerned Growers, in addition to their own contribution.

## 6.7. Sources for rainfall data:

The Rainfall data shall be collected from the “Reference Rain Gauge Station” (RRGS) as specified in the Cover note/ policy. In order to cover those specific dates for which rainfall data from the Reference Rain Gauge Station are not available, the rainfall data of the “Backup Rain Gauge station” (BRGS) shall be considered for those specific dates.

The sources of rainfall data for different states are as follows:

Karnataka state - Telemetric Rain gauge Stations installed by the Karnataka State Natural Disaster Monitoring Centre (KSNDMC) and the Automatic Weather Stations (AWS) set up by National Collateral Management Services Ltd. (NCMSL), Govt. established weather stations along with prescribed Third Party Agencies.

Other States - the respective State Govt. established weather stations along with prescribed Third Party Agencies.



## 6.8. How Claims become Payable:

In the event that, in the geographical location (coffee zone) and during the time period specified in the schedule to this policy for different options, the actual rainfall is deficit / excess compared to the specified trigger level, the benefit payable to the insured shall be a sum specified corresponding to the trigger level, subject to maximum of the sum insured specified under various options of the scheme.

## 6.9. Claim Documentation:

- i. Claims are automated and will be settled on the basis of actual rainfall data received from the concerned agencies/ institutions. Claims when become payable, will be paid at a uniform rate to all the insured growers in the Coffee Zone growing a particular variety of coffee. Claims are directly credited to the Bank account of the insured grower.
- ii. The insured shall be required to furnish the copy of the confirmation certificate as a proof of insurance and any other document / proof specifically requested by Agriculture Insurance Company of India Limited (AIC) for the settlement of the claim.

## 6.10. How to avail insurance

- i. Coffee growers can avail insurance cover from the Agriculture Insurance Company of India Ltd. or their designated agency. Premium net off subsidy (Growers share of premium) may be paid through Demand Draft drawn in favour of "**Agriculture Insurance Company of India Limited**" within the stipulated time.
- ii. The large growers can also enroll under the scheme in the same manner with the AIC or their designated agency by paying full premium in the form of DD in favour of "**Agriculture Insurance Company of India Limited**" within the stipulated time.

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## Modalities for Implementation of

### Component 7: Support for Mechanization of Coffee Estate Operations

**Objective:** To extend financial incentives to growers towards mechanization of farm operations to increase the labour efficiency and to facilitate timely cultural operations thereby contributing to overall farm productivity and sustainability of coffee farming.

#### 7.1 Eligibility Criteria for growers

1. Individual coffee growers/ holdings under joint ownership, SHGs/ Growers groups/ Grower Collective, Corporates and non tribal growers of NTA.
2. Joint applications by two or more growers each owning separate holdings in their names are not eligible for subsidy. That is, if one grower is owning 2 ha and another is owning another 3 ha, they cannot submit a joint application for claiming subsidy.
3. Applications can be filed by individuals in case of individual holdings or jointly in case of joint ownership of holdings or authorized representatives of SHGs/ collectives of small growers.
4. The main criteria for determining the scale of subsidy in each case shall be the total extent of the area owned by individual growers/ holdings under joint ownership.
5. The Applicant/s can avail the subsidy for purchase of one or all empanelled machineries at the same time or at different times during the XII Plan period within the maximum permissible limit of subsidy for the plan period.
6. The applicants are at liberty to select and purchase any machinery and their models from the empanelled list either from the suppliers (companies/ firms/ distributors) directly or from their authorized dealers as notified by the Coffee Board.
7. Before purchase of any machinery, the growers should check whether the machinery/ model intended to be purchased is listed in the approved list. The machineries/ models which are not in the empanelled list are not eligible for subsidy under the scheme.
8. The amount eligible for subsidy shall be limited to the ceiling on Basic price of the machinery plus applicable taxes like VAT or actual invoice cost including taxes, whichever is less.
9. The growers should ensure that the invoice given by the company/ dealer clearly specifies the name of beneficiary, name, model and serial number of machinery and details of additional accessories, if any etc. The cost of the machinery should be shown separately as Basic price, percentage of applicable tax and amount of taxes and total price.

## 7.2 . Machineries and their eligibility

7.2.1. The Board has identified the minimum extent of area that can be serviced by each type of machinery based on their efficiency level, as well as the requirement for timely completion of critical operations. The different types of machineries required for different category of holdings taking into account various factors including the efficiency of machineries to carry out the operations in a unit area are as follows:

Type of Machinery	Adequacy / Eligibility
Weed / Brush cutter	One upto 4 Ha.
Telescopic Pruner	One upto 4 Ha.
Pit Digger	One upto 20 Ha.
Hand held, battery operated coffee harvester	One upto 2 Ha.
Sprayers	One upto 4 Ha.
Power Chain Saw	One upto 10 Ha.
Green Cherry Separator	One upto 10 Ha.
Power Tiller with or without trailer	One per holding of 2 Ha. and above
Mini Tractor with or without trailer	One per holding of 4 Ha. and above
Mini Transporter / Rubberized Track Carrier	One per holding of 4 Ha. and above

7.2.2. The Coffee Board will modify the list of farm machinery from time to time based on the need by eliminating obsolete machinery and including new/ efficient types of machinery.

7.2.1. The growers who availed subsidy for small machinery like weed cutters, pit diggers, telescopic pruners, coffee harvesters, sprayers and power chain saws during the previous 5 years are not eligible for purchase of same kind of machinery beyond their eligibility as per the land holding. However, they can purchase the remaining types/ quantity of this small machinery during the XII Plan period as per their entitlement based on the coffee area owned by them. For example: A grower owning 20ha coffee area is eligible for a total of 5 weed cutters as per the eligibility. If he/ she has purchased 3 weed cutters during the previous 5 years, he/ she will be eligible for purchase of remaining quantity of weed cutters only. On similar lines, he/ she will be eligible for support for remaining quantities of other smaller machinery during XII Plan.

7.2.3. In respect of big machineries such as Green cherry separator, Power Tillers, Mini Tractors and Rubberized Track Carriers the following norms apply:

- a) The growers owning upto 20 ha. can purchase any one of the big machinery like Green cherry separators/ power tiller/ mini tractor/ rubberised track carrier (which was not purchased during XI Plan) during the entire XII Plan.
- b) The growers owning more than 20 ha. and SHGs/collectives are eligible for purchase of one unit of green cherry separator and any two of the three machinery among the power tiller / mini tractor/ rubberized track carriers (which was not purchased during XI Plan) during the entire XII Plan period.

7.2.4. In respect of Green Cherry Separators, Mini Tractors with or without trailers and Rubberized Track Carriers/ Mini Transporters, the maximum amount of subsidy will be limited to Rs.1.00 lakh per unit or eligible percentage of subsidy, whichever is lower.

7.2.5. Subsidy is not available for purchase of only trailers without the Power Tillers/Mini Tractors.

### 7.3. Scale of Subsidy

Category of Holdings	Scale of Subsidy
Growers upto 20 Ha.	50% subject to a ceiling of Rs.2.00 lakhs
Large growers (more than 20 Ha)	25% subject to a ceiling of Rs.4.50 lakhs
SHGs/ Collectives of Small Growers	50% subject to a ceiling of Rs.5.00 lakhs

### 7.4. Procedure for claiming subsidy

- i. The applicant/s (Growers / Growers groups) shall submit the application in the prescribed format in duplicate, along with the necessary documents to the concerned office of the SLO/ JLO after purchasing the approved machinery.
- ii. SLO/JLO will make visit for physical verification and forward the claim with physical verification report to the respective DDE for necessary action
- iii. The DDE will scrutinize the claims and will consider the eligible application / claim and release the subsidy through EFT to the bank account of the beneficiary only.

### 7.5. Other conditions

- i. The claim for grant of subsidy not accompanied by the required documents and not fulfilling the eligibility criteria/ stipulated norms is liable to be rejected by the sanctioning authority of the Board.
- ii. The subsidy benefit shall be applicable only towards purchase of new machinery. Repaired/ second hand machineries are not eligible for subsidy benefit.
- iii. The growers are encouraged to further negotiate the prices of the machinery at the time of purchase in order to avail the lowest price in the market.
- iv. In case of applicants who avail financial assistance/ loan from financial institutions, the eligible support will be released to the Institution concerned.
- v. The machinery for which subsidy has been availed by the growers should be used on their own farm and can not to be sold or leased out. Coffee Board reserves the right to inspect the machinery at any time even after the settlement of subsidy claims.
- vi. Willful suppression of material facts would make the applicant/s liable for legal action. The particulars of such claimant shall also be notified in the Website of the Coffee Board.

- vii. The SHGs/ Collectives of small growers are required to fulfill following criteria to become eligible for subsidy:
- a) SHGs/ Grower Collectives formed by a group of at least 20 small coffee growers each having holding upto 10Ha are only eligible for financial support.
  - b) SHGs/Grower Collectives shall have Memorandum of Association, Bye-laws, Administrative Committees and shall be registered under the relevant Law of the respective states.
  - c) SHGs/ Grower Collectives shall adopt suitable Resolutions in their General Body for availing support from Coffee Board in respect of the proposed activity.
  - d) The SHG/ grower collective are required to show adequate financial resources in the accounts maintained by them, in the form of membership fee, annual subscriptions, contributions/donations, loans/assistance from financial institutions etc.
  - e) SHGs/Grower Collectives shall procure the machinery equipment in the name of concerned Registered SHG / Grower Collective only.

## **7.6. Documents required for claiming subsidy**

### **7.6.1. For Individual growers/ holdings under joint ownership**

- i. Application for claiming Subsidy alongwith Declaration by the Applicant/s (in duplicate) in the prescribed format.
- ii. Proof of **photo identity** of the applicant/s such as Copy of Aadhaar card, Driving License, Ration Card, Passport, Electoral Photo Identity Card (EPIC) issued by the Election Commission, etc.,
- iii. **Proof of Land Ownership** in the form of any one of the following:
  - a) Copy of Patta / Khatha Extract along with RTCs for all Survey Nos. having coffee in possession of the applicant in respect of Karnataka
  - b) Copy of Chitta & Adangal in respect of Tamil Nadu and copy of possession certificate issued by competent revenue authority in respect of Nilgiris
  - c) Copy of Land Possession Certificate issued by the competent Revenue authority in respect of Kerala.
  - d) In case the applicant is a GPA holder, notarized copy of the Registered GPA.
- iv. Original Proforma Invoice/ Bill having TIN with full description of the machinery purchased, including the model, specifications, serial number of the machinery, details of additional accessories, amounts of basic price & taxes, percentage of taxes etc.
- v. Copy of RC Book in respect of Power Tillers/ Mini Tractors.
- vi. Copy of the Bank Pass Book of the applicant having the details of account number, name of the Bank, branch, IFSC code etc.

### 7.6.2. For SHGs/ Growers Collectives

- i. Application for claiming Subsidy along with the declaration by the Authorized Persons of SHGs/Grower Collectives (in duplicate) in the prescribed format.
- ii. Copy of Registration Certificate issued under the relevant Law of respective States.
- iii. Copy of byelaws, list of Directors and Grower Members
- iv. Proof of Land Ownership under coffee in respect of all the members of the SHG/ growers collectives.
- v. Copy of Resolutions passed by General Body in connection with the implementation of the project and availing subsidy.
- vi. Original Proforma Invoice/Bill having TIN with full description of the machinery purchased, including the model, specifications, serial number of the machinery, details of additional accessories, amounts of basic price & taxes, percentage of taxes etc.
- vii. Copy of RC Book in respect of Power Tillers/ Mini Tractors.
- viii. Copy of Bank Account Pass Book opened in the name of SHG/Grower Collective having the details of account number, name of the Bank, branch, IFSC code etc.

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## Modalities for Implementation of

### Component 8 : Export Promotion - Providing Export Incentive

**Objective :** The objective of the scheme is to maximize export earnings by enhancing the market share of value added coffees and high value differentiated coffees in important high value international markets.

#### 8.1 Eligibility

All the Registered Coffee Exporters with Coffee Board having valid registration are eligible for the benefits under the scheme.

#### 8.2 Scale of Incentive

- i) Rs. 3/- per Kg. for export of Value Added Coffees in retail consumer packs exported as 'India Brand', calculated on the Green Coffee utilized for its manufacture/preparation at the rate of 2.6 kg for Instant/Soluble coffee and 1.19 kgs for Roasted coffee seeds and R & G Coffees.
- ii) An export incentive of Rs.2/- per kg. for the export of High Value Green Coffees to far off high value markets viz., U.S.A., Canada, Japan, Australia, New Zealand, South Korea and Finland and Norway.

The selection of high value markets will be subject to review on export performance on completion of two years at Board level in consultation with stakeholders and countries would be added/ deleted based on the need.

#### 8.3 Export of Value Added Coffee as 'India Brand' eligible for the export incentive

- i) The following are the Value Added Coffees identified for the benefit of Export Incentive exported in a retail consumer packs as 'India Brand' up to a maximum quantity mentioned against each.

Value Added Coffee	Maximum Quantity in Grams
a) Roasted Coffee Seeds	1000
b) Roasted and Ground Coffee	1000
c) Instant\Soluble Coffee	500

- ii) The retail consumer pack containing Value Added Coffees should clearly depict that coffee is from India by adopting either or both of the following ‘Coffees of India’ logos in every consumer pack and also depict the words ‘Made in India’ or ‘Product of India’ or ‘Produce of India’ etc.

- A. “Coffees of India” mother logo depicting a woman harvesting coffee



- B. “Coffees of India” Logo with all the words in the logo viz., “Shadegrown”, “Sustainable” and “Scintillating” are clearly readable on every retail consumer pack.



#### 8.4 Export of High Value Green Coffee eligible for the export incentive

The following types and grades of Green coffee including Organic and Estate Branded coffees are classified as High Value Green Coffee

SI.No	Exportable Type & Grade of green coffee
1	Plantation PB Bold
2	Plantation AA
3	Plantation PB
4	Plantation A
5	Plantation B
6	Plantation Bulk
7	Mysore Nuggets EB (Specialty Coffee)
8	Arabica Cherry PB Bold
9	Arabica Cherry AA
10	Arabica Cherry A



11	Arabica Cherry PB
12	Arabica Cherry AB
13	Arabica Cherry Bulk
14	Monsooned Malabar AA(Specialty Coffee)
15	Monsooned Malabar Basanally(Specialty Coffee)
16	Robusta Parchment PB Bold
17	Robusta Parchment PB
18	Robusta Parchment A
19	Robusta Parchment AB
20	Robusta Parchment Bulk
21	Robusta Kaapi Royale(Specialty Coffee)
22	Robusta Cherry PB Bold
23	Robusta Cherry AA
24	Robusta Cherry A
25	Robusta Cherry AB
26	Robusta Cherry PB
27	Robusta Cherry Bulk
28	Robusta Cherry Clean Bulk
29	Monsooned Robusta AA(Specialty Coffee)

## 8.5 Procedure for Application

All the registered exporters of coffee with Coffee Board would furnish the claim for export incentive as per the terms and conditions specified with the following claim forms

- i) FORM A - for claim of Export Incentive for export of High Value Green Coffee to far off destinations'
- ii) FORM B - for claim of Export Incentive for export of Value Added Coffees in retail consumer packs as 'India Brand'.
- iii) The application for export incentive should be submitted to the Deputy Secretary, (Export Section), Coffee Board, #1, Dr. B. R. Ambedkar Veedhi, Bangalore - 560001.
- iv) The applications will be processed on first come first basis.

## 8.6 Disbursement of export incentive

The export incentives shall be released to the exporters' bank accounts through EFT in cases where the applications are complete in all respects and fulfil the eligibility criteria.

## 8.7 Terms and Conditions

- i) An Exporter should be a Registered Exporter of coffee with the Coffee Board and should have exported coffee against Export Permit and ICO Certificate of Origin
- ii) The export incentive will be made only against claim.
- iii) While claiming the export incentive, the exporters are required to submit self-attested copies of the following documents for consideration of their claims. These documents have to be submitted permit wise:-
  - A. Claim Form in duplicate
  - B. Export permit returned to the exporter by the Customs with their endorsement
  - C. ICO certificate of origin having customs endorsement
  - D. Bill of Lading (BL).
  - E. In the case of claim towards export of value added coffees, the exporter should provide a specimen of retail consumer packs/labels used in each of such shipments. The specimen of retail consumer packs/labels should denote the following:
    - a) If the information on specimen copy\label is other than in English language, the same should be translated into English by an Authorized translator with seal & signature of the translator and the same shall be self-certified by the concerned exporter.
    - b) The specimen retail consumer pack/label submitted should be in color & should be readable and contain Weight/Capacity of the unit
    - c) The Export Permit No (Form-C) & its date should be indicated and self-certified.
- iv) The claim should be preferred monthly/quarterly spreading throughout the year in the specified claim form addressed to the Deputy Secretary (Export), Export Section, Coffee Board, No.1 Dr. Ambedkar Veedhi, Bangalore- 560 001 by post or in person.

- v) The date mentioned by the Customs Authorities in their endorsement on Export Permit/ICO Certificate of Origin should be reckoned as the date of export.
- vi) In case of rejected Coffee lots for which export incentive has already been claimed, it is the responsibility of the exporter to refund the entire claim amount within a month of rejection to the Board.
- vii) As the incentive claim is to be made through Bank, the exporter should furnish the
  - a) Account Name
  - b) Type of Account and Number
  - c) Name of the Bank and Branch address
  - d) IFSC/RTGS\NEFT code

### **8.8 Amendment to the Scheme**

The Coffee Board reserves the right to amend, amplify or abrogate in its discretion any of the terms and conditions of the scheme without notice as it may consider necessary for efficient execution of the scheme and fulfillment of its objectives.

- 8.9** Applications of persons who resort to making offers, rewards, gifts or any material benefit, or any coercion either directly or indirectly, to influence the sanction process shall summarily be rejected. Similarly, legal action will be initiated for recovery with applicable interest against applicants who obtain the subsidy benefit by willfully furnishing wrong/incorrect information, misrepresentation and suppression of information.

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**Modalities for Implementation of**  
**Component 9: Market Development**

**Sub Component 3 : Support to Small Growers' Collectives/ SHGs/ Cooperatives  
for coffee marketing**

**Objective:** The objective of the scheme is to extend support to small and tiny growers, incentivizing them to form collectives/ Self Help Groups/ Cooperatives thus encouraging them in the process for taking up marketing of coffee produced on community based approach through suitable financial incentives. This way they will not only be able to improve the quality of coffee but also realize better value for their coffees. It is expected to provide a mechanism for better price realization for the group, arising out of both the improvement of quality as well as collective bargaining.

**9.3.1 Eligibility**

9.3.1.1 All Small Growers' Collectives / Self Help Groups (SHGs)/ Cooperatives in traditional coffee growing states.

9.3.1.2 The coffee marketing should be taken up in the name of Small Growers' collectives/ SHGs/ Cooperatives

- i) Through recognized public auction platforms like Indian Coffee Trade Association (ICTA)
- ii) Direct export by the organization
- iii) Through the recognized Commodity Exchanges wherein, physical delivery of coffee takes place.

**9.3.2 Scale of Subsidy**

Rs. 4.00 per kg. of clean coffee.

**9.3.3 Procedure for application**

- i) After marketing of coffee, the small growers' collectives/ SHGs/ Cooperatives would furnish the claim for reimbursement in the prescribed application along with the proofs/ supportive documents.

- ii) The application for subsidy should be submitted to the Deputy Director (Extension),
- iii) The Deputy Director (Extn.) of respective regions scrutinize and forward the application to the Head Office for approval.

#### **9.3.4 Disbursement of subsidy**

- i) The subsidy is disbursed only after the sale of coffee is completed by small growers' collectives/SHGs/Cooperatives.
- ii) The coffee marketing should take place in clean coffee (green bean) form only.
- iii) The subsidy shall be released to the individual members (of the small growers' collectives/ SHGs/ Cooperatives mentioned in the sale note issued by the auctioneers/ commodity exchange) directly to their bank account through NEFT in cases where the application is complete in all respects.

#### **9.3.5 List of Documents to be furnished**

The following supporting documents shall accompany the application for claiming subsidy. Failure to furnish the requisite documents will entail rejection of the application.

- i) Application in prescribed format (Duplicate)
- ii) Certificate of incorporation/registration, memorandum of article of association/society as Growers' Collective/ SHG/ Cooperative issued by the authority concerned.
- iii) Complete list/ details of members of the organization as per Annexure 1.
- iv) Along with each claim for subsidy, the application should be accompanied with the details of the member wise coffee sold..
- v) Certificate from the Growers' Collective/ SHG/ Cooperative stating that the concerned grower is the member of the organization.
- vi) Certificate from concerned state Government commercial tax department (VAT registration certificate) wherever applicable.
- vii) In addition to the above documents
  - A. In case of coffee marketed through the Auction platform/ Commodity Exchange
    - a) Registration certificate as member of ICTA / other recognized marketing auction platform (one time)

- b) Proof of coffee sold– Attested copy of sale note issued by the auctioneers' concerned to the growers' collectives/ SHGs/ Cooperatives.

B. In case of coffee exported directly

- a) Export permit having Customs endorsement
- b) ICO certificate of origin having customs endorsement
- c) Bill of Lading (BL)

**9.3.6 Amendment to the Scheme**

The Coffee Board reserves the right to amend, amplify or abrogate in its discretion any of the terms and conditions of the scheme without notice as it may consider necessary for efficient execution of the scheme and fulfillment of its objectives.

- 9.3.7** Applications of persons who resort to making offers, rewards, gifts or any material benefit, or any coercion either directly or indirectly, to influence the sanction process shall summarily be rejected. Similarly, legal action will be initiated for recovery with applicable interest against applicants who obtain the subsidy benefit by willfully furnishing wrong/incorrect information, misrepresentation and suppression of information.

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**Modalities for Implementation of**  
**Component 10: Support for Value Addition**

**Sub component 10.1: Support to R&G units**

**Objective:** To enhance quality of coffee product and achieve value addition through introduction of improved technologies in roasting, grinding and packaging which will result in boosting domestic coffee consumption and entrepreneurship in the coffee sector especially in the Non Traditional areas.

**10.1.1 Eligibility**

Individual units, Partnership firms, Self-Help-Groups (SHG)/ Growers' collectives/ co-operatives and Corporates who are interested to establish coffee roasting units and also those proposing to modernize the existing units with new automated / energy savings / eco-friendly machinery.

**10.1.2 Conditions**

- i) The subsidy under the scheme is not available in conjunction with any other scheme of the Coffee Board.
- ii) The applicant's Unit should hold a valid license for the business from the respective statutory authorities.
- iii) Units which have availed full subsidy incentive of Rs 25 lakhs in the XI plan are not eligible under the XII Plan unless they set up the new R & G unit in non-traditional coffee consuming states (other than Karnataka, Kerala, Tamil Nadu and Andhra Pradesh).
- iv) Units which have availed subsidy for machinery for particular unit in the XI plan are not eligible for the same machinery for the same unit in the XII plan. However they can avail subsidy for different machinery for the same unit. If a new unit is being set up then they are eligible for full subsidy in the XII plan.

**10.1.3 Scale of subsidy**

- i) Large roasting units with a capacity of above 25kg / batch are eligible for subsidy support of 25% of the machinery cost with a ceiling of Rs.50 lakhs.

- ii) The small roasting units with a capacity of less than 25 kg capacity are eligible for subsidy support of 35% of the machinery cost with a ceiling of Rs.50 lakhs.
- iii) For the SHG's, women entrepreneurs and SC/ ST beneficiaries, subsidy support is @ 40 % of the machinery cost with a ceiling of Rs.50 lakhs.
- iv) Small commercial gourmet roasting units with less than 10 kg capacity are eligible for subsidy support of 35% of the cost of the machinery with a maximum ceiling of Rs.10 lakhs per unit.

Support to gourmet roaster units would enable roasting of specialised blends in smaller quantities. This may also help to encourage large number of small players/ new entrepreneurs to take up this venture in non-traditional coffee drinking areas.

#### **10.1.4 Components eligible for subsidy**

##### **i) For new Units**

The roasting, grinding and packaging machinery in any of the following combinations are eligible for subsidy

- a) Roasting machine, grinding machine and packaging machine.
- b) Roasting machine and packaging machine.
- c) Grinding machine and Packaging machine

##### **ii) For existing Units**

Replacement or upgrading of any one or all the machineries in the above combination for technology up gradation to improve quality (subject to fulfillment of condition at sl no iv under para 10.1.2 above). Packaging machine would be considered only when the roasting and grinding machine is already in existence.

#### **10.1.5 Priority**

Applications shall be considered on first come first serve basis provided the applications are complete in all respects.

#### **10.1.6 Procedure of application**

The application for subsidy should be submitted in the prescribed format after installation/commissioning of coffee machinery to the Divisional Head (Coffee Quality), Coffee Board, Dr. Ambedkar Veedhi, Bangalore-560001. The applications will be processed after the inspection by the Officers of the Coffee Quality Division, Bangalore on seniority basis. If the application is found liable for rejection, same will be communicated to the applicant.



### **10.1.7 Documents to be submitted**

- i) Application in the prescribed format (in Duplicate)
- ii) Copy of the Photo identity like Adhaar or Ration card or PAN card or Passport or Driving License or Election Photo Identity Card etc..
- iii) Original copy of Tax Invoice / Cash Bill issued by the supplier.
- iv) Attested copies of Bills in support of freight/installation/commissioning charges and insurance (if included in the total cost).
  
- v) Copy of warranty certificate
- vi) Notarized Copy of the lease agreement / rent agreement (Minimum for a period of three years) / ownership document in respect of the shop / building premises
  
- vii) Copy of license from municipal authorities.
- viii) Copy of the Bank pass book of the applicant containing the information such as
  - a) Name of the Bank and Branch address
  - b) Account Holder Name
  - c) Account No.
  - d) IFSC code
  
- ix) Photographs of the new machinery installed for which subsidy is claimed
- x) List and photographs of already existing machinery.

### **10.1.8 Disbursement of subsidy**

The subsidy shall be released to the applicant's bank account through EFT in cases where the application is complete in all respects and only after approval of post installation inspection report submitted by the Coffee Quality Division, Coffee Board, Bangalore.

### **10.1.9 Warning**

Applications of persons who resort to making offers, rewards, gifts or any material benefit, or any coercion either directly or indirectly, to influence the sanction process shall summarily be rejected. Similarly, legal action will be initiated for recovery with applicable interest against applicants who obtain the subsidy benefit by wilfully furnishing wrong/incorrect information, misrepresentation and suppression of information.

**10.1.10 Specifications of Coffee Roasting, Grinding and Packaging machinery eligible for subsidy**

<b>Sl. No.</b>	<b>Machineries</b>	<b>Minimum Specifications</b>	<b>Details</b>
01	Roasting Unit Gourmet roasting unit 1Kg to <10Kg/batch	Roasting capacity of 10 kg / batch & below and above one kg.	Gourmet roasting / small roasting unit / shop roasting units/ speciality roasting unit / small speciality roasting unit. This may include small drum roasters with LPG, diesel, electrical, air roasters, and small modular roasters of size above one kg / batch.
	Small roasting unit 10Kg to 25Kg/batch	10 kg and less than 25 kg capacity (Technically exact quantity of 25 kg capacity cannot be achieved in drum roasting system, hence $\pm 2$ kg is allowed.	25 kg / batch air roasters includes all convention & convection systems with 25 kg capacity of $\pm 2$ kg or roasting chamber of 25 kg capacity working on electrical / LPG/ Diesel / different fuel systems. They may be simple / digital with control panel provided with any pollution control devices, online control systems
	Large roasting unit	Above 25kg/batch capacity	25 kg / batch air roasters includes all convention & convection systems with 25 kg capacity of $\pm 2$ kg or roasting chamber of 25 kg capacity working on electrical / LPG/ Diesel / different fuel systems. They may be simple / digital with control panel provided with any pollution control devices, online control systems.
02	Grinding Unit	15 Kg capacity per hour (stone mills are not eligible)	a) Minimum 10 kg / hour and above for gourmet roasting units.  b) Minimum 15 kg / hour and above for small roasting units (disc mills, roll mills, water cooled, liquid cooled machineries above 25 kg to high end for small and large roasting units)

Sl. No.	Machineries	Minimum Specifications	Details
03	Packaging Unit	For small / large roasting units according to the capacity different packaging machines are eligible	Packaging machineries includes Pedal sealing machine; Continuous sealing machine; Filling and sealing machine; Form fill and sealing machine; Automatic or semi-automatic Nitrogen flushing and sealing machine, vaccumizing and sealing machine or Vaccumising & Nitrogen flushing and sealing machine (automatic or semi-automatic) pod forming, filling and sealing, capsules filling and sealing, liquid coffee filling and pouch forming machines, powder or liquid filling and sealing machines or any other new technologies developed for liquid coffee / powder coffee / coffee beans are eligible for subsidy.

Items listed above would cover all types of machinery and equipment of different makes and specifications available in the market for both indigenous and imported.

#### 10.1.11 Amendment to the Scheme

The Coffee Board reserves the right to amend, amplify or abrogate any of the terms and conditions of the scheme without notice as it may consider necessary for efficient execution of the scheme and fulfillment of its objectives.

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## **Modalities for Implementation of**

### **Component 10 : Support For Value Addition**

#### **Sub component 10.2: Support for Coffee Curing Works**

**Objective :** To enhance the quality of coffee product and achieve value addition and efficiency through introduction of improved technologies in coffee processing at the curing stage and to fill the gap of skill deficit and improve consistency during the operations like color sorting, grading and drying etc.

##### **10.2.1 Eligibility**

- i) **All existing coffee curing works holding valid coffee curing License issued by Coffee Board of India are eligible for support irrespective of type of ownership.**
- ii) The subsidy under the scheme is not available in conjunction with any other scheme of the Coffee Board.

##### **10.2.2 Scale of subsidy**

25% of the cost of the machinery purchased and installed subject to a ceiling of Rs.50.00 lakh per Curing Work. The grant of subsidy @ 25% of the machinery cost shall include the basic price, duties, Govt. levies (excluding Value added Tax), packing, transportation, insurance, installation and commissioning charges etc

##### **10.2.3 Components eligible for subsidy**

The machinery eligible for subsidy for upgrading the facilities at curing works are as follows:

- 1) Pre-cleaner/ Vibro Cleaner
- 2) De-stoner
- 3) Aspiration system for the De-stoner
- 4) Huller
- 5) Peeler cum polisher
- 6) Cascade aspirator
- 7) Vibro grader
- 8) Gravity Separator
- 9) On-line Silo Graded Coffee Handling System
- 10) Central Aspiration System
- 11) Colour sorting machine with accessories
- 12) Coffee Dryer

- 13) Husk Silo
- 14) Weighing & Bagging System
- 15) Bulking & Container Loading System
- 16) Moisture Meter

Items listed above would cover all types of machinery of different makes and specifications available in the market for both indigenous and imported. Only new units Purchased and installed would be eligible for subsidy.

#### **10.2.4 Priority**

Applications shall be considered on seniority basis provided the application is complete in all respects. Date of filing application would determine seniority.

#### **10.2.5 Procedure of application**

The application for subsidy should be submitted in the prescribed format after installation/commissioning of coffee machinery to the Divisional Head (Coffee Quality), Coffee Board, Dr. Ambedkar Veedhi, Bangalore-560001. The applications will be processed after the inspection by the Officers of the Coffee Quality Division, Bangalore on seniority basis. If the application is found liable for rejection, same will be communicated to the applicant.

#### **10.2.6. Documents to be submitted:**

- i) Application in the prescribed format (in Duplicate)
- ii) Copy of the Photo identity like Adhaar or Ration card or PAN card or Passport or Driving License or Election Photo Identity Card etc..
- iii) Original of Tax Invoice / Cash Bill issued by the supplier.
- iv) Attested copies of Bills in support of freight/installation/commissioning charges and insurance (if included in the total cost).
- v) Copy of warranty certificate
- vi) Notarized copy of the lease agreement / rent agreement (Minimum for a period of three years) / ownership document in respect of the shop building premises
- vii) Copy of license from
  - a) Local / municipal authorities
  - b) Curing license issued from Coffee Board of India
  - c) State Pollution Control Board
  - d) Department of Industries
  - e) Department of Labour

viii) Copy of the Bank pass book of the applicant containing the information such as

- a) Name of the Bank and Branch address
- b) Account Holder Name
- c) Account No.
- d) IFSC code

ix) Photographs of the new machinery installed and claimed for subsidy

x) List and photographs of already existing machinery.

#### **10.2.7 Disbursement of subsidy**

The subsidy shall be released to the applicant's bank account through EFT in cases where the application is complete in all respects and only after approval of post installation inspection report submitted by the Coffee Quality Division, Coffee Board, Bangalore.

#### **10.2.8 Warning :**

Applications of persons who resort to making offers, rewards, gifts or any material benefit, or any coercion either directly or indirectly, to influence the sanction process shall summarily be rejected. Similarly, legal action will be initiated for recovery with applicable interest against applicants who obtain the subsidy benefit by wilfully furnishing wrong/incorrect information, misrepresentation and suppression of information.

#### **10.2.9 Amendment to the Scheme:**

The Coffee Board reserves the right to amend, amplify or abrogate any of the terms and conditions of the scheme without notice as it may consider necessary for efficient execution of the scheme and fulfillment of its objectives.

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