

**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.

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## **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.

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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.

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- vii. The SHGs/ Collectives of small growers are required to fulfill following criteria to become eligible for subsidy:
- 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.
  - SHGs/Grower Collectives shall have Memorandum of Association, Bye-laws, Administrative Committees and shall be registered under the relevant Law of the respective states.
  - SHGs/ Grower Collectives shall adopt suitable Resolutions in their General Body for availing support from Coffee Board in respect of the proposed activity.
  - 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.
  - 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

- Application for claiming Subsidy alongwith Declaration by the Applicant/s (in duplicate) in the prescribed format.
- 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.,
- Proof of Land Ownership in the form of any one of the following:
  - Copy of Patta / Khatha Extract along with RTCs for all Survey Nos. having coffee in possession of the applicant in respect of Karnataka
  - Copy of Chitta & Adangal in respect of Tamil Nadu and copy of possession certificate issued by competent revenue authority in respect of Nilgiris
  - Copy of Land Possession Certificate issued by the competent Revenue authority in respect of Kerala.
  - In case the applicant is a GPA holder, notarized copy of the Registered GPA.
- 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.
- Copy of RC Book in respect of Power Tillers/ Mini Tractors.
- Copy of the Bank Pass Book of the applicant having the details of account number, name of the Bank, branch, IFSC code etc.

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#### 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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