

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Agriculture Department - Farm Mechanisation Scheme - Guidelines for
implementation of Farm Mechanisation Scheme - Orders - Issued.

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AGRICULTURE & COOPERATION (AGRI. I) DEPARTMENT

G.O.RT.No. 476

Dated: 07-07-2020.

Read:-

From the Commissioner & Director of Agriculture, A.P.,
Guntur, e-File No.AGC02-19021/40/2020-AD.FM-AGRHOD.

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O R D E R:-

In the circumstances reported by the Commissioner & Director of Agriculture, A.P., Guntur, in the reference read above, Government after careful examination, hereby issue the Guidelines for implementation of Farm Mechanisation Schemes, as Annexed to this Order.

2. The Commissioner & Director of Agriculture, A.P., Guntur, shall take further necessary action accordingly, in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

POONAM MALAKONDAIAH
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Commissioner & Director of Agriculture, A.P., Guntur.
The Members of the Committees through the Commissioner & Director of
Agriculture, A.P., Guntur.

All the HODs / Corporations under the control of Agri. & Coop. Dept.

Copy to:

P.S. to Hon'ble Min. (Agri.).

P.S. to Spl.C.S. (Agri.).

SF/SC.

//FORWARDED BY ORDER//

SECTION OFFICER

ANNEXURE

(to G.O.Rt.No. , Agri. & Coop. (Agri. I) Dept., dt.07.07.2020)

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Guidelines for the Implementation of Farm Mechanisation Scheme Introduction:

The Government has introduced several schemes and policies that support greater mechanization of Agriculture, in the light of its commitment to transform the agriculture sector and double farmers' income. The focus on farm mechanization is driven by the need for enhancing agriculture productivity, mitigating labour shortage; and facilitating judicious use of scarce natural resources and farm inputs.

The growth of farm mechanization is impeded by fragmentation of land holdings, a large presence of small and marginal farmers, unaffordability of farm technology. Agriculture Mechanization is crucial for modernization and commercialization of agriculture as it improves productivity and timeliness of agriculture operations, aids in value addition, brings down the cost of cultivation and enables climate change adaptation.

There is a need for greater focus on developing need-based and regionally differentiated machinery; and for responding to the specific requirements. The promotion and modernization of custom hiring models and Hi tech Machinery Hubs are steps in the right direction. The concept of agricultural growth will be achieved through mechanisation of farm operations in the coming years.

About 85 % of the total land holdings are small and marginal in size, and hence require appropriately designed machinery, tools and implements to the crops raised in the villages. Recognizing the special needs of mechanizing marginal and small land holdings, and with a view to making farm mechanization affordable by small and marginal farmers farm mechanisation schemes are designed to be implemented as follows:

OBJECTIVE:

- i. Increasing the reach of farm mechanization to small and marginal farmers and to the regions by establishing Custom Hiring Centers at each village.;
- ii. Promoting 'Custom Hiring Centres' to offset the adverse economies of scale arising due to small landholding and high cost of individual ownership;
- iii. Creating hubs for hi-tech & high value farm equipments;
- iv. Creating awareness among stakeholders through demonstration ;
- v. Making available latest farm equipments to individuals with limitations.

STRATEGY ADOPTED:

To achieve the above objectives, it is proposed to adopt the following strategies:

Government has launched the Rythu Bharosa Kendras (RBK) at 10641 villages to assist the farmers in providing the agri-inputs at their Villages. In order to make use of this Institution for the facilitation of agricultural machinery, the following strategy is adopted.

- i. Establish custom hiring centres (CHC) of location and crop specific farm machinery and implements in all villages where Rythu Bharosa Kendras(RBK) are located.
- ii. Provide financial assistance to group of small and marginal farmers in the village to establish CHCs and also help in interacting with Bankers to extend credit to establish CHCs in villages.
- iii. Promotes ownership of certain agricultural machinery & equipments as per norms of assistance stipulated in this guidelines.

COMPONENTS :

1. **Establish Farm Machinery Banks for Custom Hiring:**

Provides suitable financial assistance to establish Farm Machinery Banks for Custom Hiring which are appropriate to crops grown in that village.

2. **Establish Hi-Tech, High Productive Equipment Hub for Custom Hiring:**

Provides financial assistance to set up hi-tech machinery hubs for predominant crops like sugarcane, cotton , Paddy, etc. and to serve a larger area.

3. **Financial Assistance for Procurement of Certain Agriculture Machinery and Equipment to individual farmers.**

Promotes ownership of certain agricultural machinery & equipments as per norms of assistance stipulated.

STRUCTURE PROPOSED :

STATE LEVEL:

State Level Policy Making Committee (SLPC) will be the policy formulating body giving overall direction and guidance to the implementation of the FM schemes and will monitor and review its progress and performance. It will be empowered to lay down and amend guidelines, including financing pattern in the State. SLPC shall meet at least two times in a year.

The State Level Policy Making Committee (SLPC) will comprise of the following:-

Minister (Agriculture)	-	Chairperson
Special Chief Secretary (Agri)	-	Member Secretary
Commissioner, Agriculture	-	Member Convener
Commissioner, Horticulture	-	Member
Managing Director, AP Agros	-	Member
Director, Animal Husbandry	-	Member
Commissioner, Fisheries	-	Member
Convener, SLBC	-	Member
Representative from NABARD	-	Member
Dean of Ag. Engg. (ANGRAU)	-	Member

The SLPC will be supported technically by State Technical Committee will be represented by comprising the following members:-

Rep. from ANGRAU	-	Member
CIAE Bhopal	-	Member
SRFMTTI ATP	-	Member
ADA/DDA (Ag. Engg.)	-	Member
Rep. from AP Agros	-	Member
Three Farmers	-	Members

The SLPC will be strongly supported by technical backstopping through well-structured with feedback from scientific institutions for regular corrections.

CIAE, Bhopal will be a Knowledge Partner for this purpose and will coordinate the activities of Technical Committees. The scientific committee will have the ability and be provided adequate space to provide new technical inputs for the introduction of new machineries into the fields.

State Technical Committee (STC) will be set up to provide time to time knowledge support and technical feed back to the State Level Policy making Committee and Department of Agriculture.

The main function of SLPC will be to vet the Annual Action Plan prepared by the State nodal department for implementation of the FM Schemes. The SLPC will oversee the implementation of Components in the State through regular meetings with the nodal and other line department.

Functions of the Nodal Agency:

Department of Agriculture, shall be the nodal department at the State level for implementation. It will provide necessary support to SLPC and will have the following functions:

1. Prepare the Annual Action plan, primarily focusing on increasing farm mechanization with location specific advantages and easier adaptability for improved production and productivity.
2. Prepare indicative list of machines & equipment which should not be eligible for subsidy. While preparing the negative list, State should consider various aspects including fact whether an equipment/machinery can be run commercially without subsidy.
3. 16.60 % of the total allocation for SCP and 8.60 % for TSP will be earmarked. The allocation to SC/ST farmers will be made proportionate to their population in the district. 30% of allocation will be earmarked to the woman beneficiary.
4. Enlist manufacturers/suppliers who have tested their products either from FMTTIs or any identified institute by DAC&FW.
5. Empanel the agricultural machinery and equipment on the basis of quality inspection and field performance evaluation for supply under FM schemes.
6. State Technical committee helps the Department for evaluation of the agricultural machinery and equipment and for empanelment of firms.

7. Ensure suitable integration of AAP with other schemes like Rashtriya Krishi Vikas Yojna (RKVY), National Food Security Mission (NFSM) and Mission for Integrated Development of Horticulture (MIDH), etc.,
8. Organize workshops, seminars exhibitions and training programmes for all interest groups at State level
9. to look into the safety aspects of the farmers/operators while operating various agricultural machinery
10. Promote farmers who can afford full cost for purchase of farm equipment by making standard equipment available at affordable prices at RBK (Hub) and spoke .
11. Initiate skill development programmes convergence with APSDC to farmers as well as youth and facilitate establishment of service centers

District Level:

The District Level Executive Committee (DLEC) will comprise of the following:

Collector / J.C. (RB&R)	-	Chairman
J.D.A. of the District	-	Member Secretary
D.D., Horticulture	-	Co-Member Secretary
Representative of line Depts.	-	Members
Representative from KVK	-	Technical Member
One nominated progressive farmer	-	Member
One representative from Banks / NABARD	-	Members

DLEC will be responsible for carrying forward the objectives of the Scheme and as per directions stipulated by SLPC.

1. Identify entrepreneurs/ RMG Groups/ FPOs to establish custom hiring centres in villages.
2. Facilitate tie up with the Banks for credit requirements to the groups.
3. Ensure that the benefits under various schemes of DAC such as RKVY, MIDH, NMOOP, SMAM etc. are spread to large number of beneficiaries in the village. The farmer who gets the benefit once will not be eligible to apply again within 3 years.
4. Prepare district AAP with physical and financial targets under components at village level and Hub Level.
5. Utilize online application software for the entire process of identification and selection of beneficiary, processing of applications and disbursement of financial assistance after ensuring the proof of procurement of equipment / inputs as per provisions and norms.
6. Make efforts for direct transfer of financial assistance on the basis Bank Loans/ Aadhar Nos.
7. Monitor & display details of approved programme, all activities undertaken and name of beneficiaries, expenditure incurred etc. at the

RBK in the village level and get it placed before the concerned Gram Sabha annually from the point of social audit.

8. Study the impact on production and productivity after the implementation of the programmes and forward the reports to the State nodal Department.
9. to look into the safety aspects of the farmers/operators while operating various agricultural machinery, to suitably encourage and obtain "Pradhan Mantri Suraksha Bima Yojna" for himself/herself and also for the actual operator who operates his/her agricultural machinery. "Pradhan Mantri Suraksha Bima Yojna" which covers the various benefits to the person insured like death, total irrecoverable loss of eyes, hand or feet etc. during operation of any agricultural machinery.
10. Allocation of funds shall be intimated by the State Nodal department to the district.

Establish Farm Machinery Banks for Custom Hiring: at Village Level

- Only Groups can establish CHC in the village.
- The Group has to apply on line through DBT portal (<https://agrimachinery.nic.in/>) designed and developed by M&T Division of DAC&FW.
- If there is no farmer group available in the village, a new group with atleast five members and can get registered at Village Secretariat, can apply.
- JDA of the district will accord permits to Farmers group/ FPO/ FPG in the village which shall operate the CHC based on the recommendations of the Village level Advisory Committee comprising members MAO, HO, 2 Farmer representatives nominated by ADA and Bank representative.
 1. The land ownership of the members of the Group,
 2. By scrutinising the bank sanction letter,
 3. By seeing the implements preferred to be kept (new type of implements to village) will be preferred
 4. Mix of members in the group(heterogenous).
 5. Based on their procurement of inputs through RBK in the village.
 6. Credibility to run the group satisfactorily
 7. Ability to take up repairs and maintenance efficiently
 8. Group members which can render service to do the farm operations when machinery are hired.
- The Group finalised to establish should operate the CHC in coordination with the RBK in the village.
- The CHC in the village shall be an extended arm of RBK in providing machinery inputs on hiring basis to the villagers.
- The CHC established in the village should abide by the rules stipulated from time to time by the Department of Agriculture.

- The Group which establishes the CHC will have to identify the latest farm implements which can be kept in the Custom Hiring center.
- The Hiring charges may be finalised within the village in the presence of MAO, Banker, farmer representative and Horticulture officer of the Mandal, with prevailing rates and be communicated to JDA .
- The prices finalised for different operations should be displayed in the Display board placed at RBK...

The Groups should accept to follow the conditions:

- to keep the machinery under a protected shed.
- to hire the machinery as per the rates displayed in the RBK
- the Group has to follow the instructions given by Department of Agriculture from time to time.
- the group has to enter into an MOU with the RBK in the Village
- the repairs and maintenance of machinery in the CHC have to be taken up by the Group only.
- the Group can finalise a method, for hiring the machinery by collecting deposit for handing over the equipment to the hirer.
- the group can provide the service of operations.(Faas- Farming as a service)
- the group is not allowed to sell/mortgage or transfer the equipment till the end of the bank loan period of 6 years.

Procurement of machinery to CHC

- The group permitted by the Department, has to only establish the CHC in close proximity to RBK in the village by following the norms stipulated.
- The group which is permitted will get a financial assistance of 40% of the Project cost.
- The Group has to mandatorily avail the Bank Loan to establish CHC, under the model of credit linked back ended financial assistance as per bank norms.
- The group can select the implements that can be kept in CHC for Hire. Crop specific agricultural equipment /machinery tested and available with the enlisted manufacturers will be offered on hire at CHC in the village.
- To Introduce improved/newly developed agricultural implements and machines in crop production.

Non Negotiables in the FM Scheme

- The Group should avail model of credit linked back ended financial assistance to procure the machinery;
- The Assets should have the GPS enabled devices (wherever applicable) / geo tagged for all implements.
- Complete freedom to group will be available for selection of agricultural machinery and equipment.

- The Group has to register all the equipments in the CHC Mobile & Kiosk application to enable farmers to book the equipments.

At Hub Level:

AP State Agro Industries Development Corporation Ltd shall assist the Department of Agriculture to get establish Hi- Tech, High Productive Equipment Hub for Custom Hiring at Each RBK Hub Point uniformly in the district. (@5 per district) by groups.

APSAIDC Ltd shall finalise the group.

- i) to promote utilization of hi-tech, high value machines for higher productivity
- ii) To provide hiring services for various high value crop specific machines applied for different operations.
- iii) To expand mechanized activities during cropping seasons to cover large areas
- iv) To involve farmer groups, PACS, FPOs , PPP for setting up of such centres

Each hub of agricultural machinery/implements will have the capacity to cover at least 500 ha in a cropping season. Machines can be hired for crop specific operations. The type and capacity of the machines will be selected by the groups on the basis of area to be covered in a cropping season.

Financial Assistance:

- 1. 40% Financial assistance for setting up of hubs will be available to PACS / Farmer Groups/ FPOs/RMGs/manufacturers
- 2. Hubs will be established under the model of credit linked back ended financial assistance.
- 3. Bank will lock the financial assistance released to them as per the terms of repayment of loan. The Beneficiary will not be allowed to transfer/ sell/ mortgage the hubs.

Non-Negotiables:

- 1. The FM Hitech machinery Hub should be operated by Groups only.
- 2. All the assets should be fitted with GPS device.
- 3. The group should hire machinery in coordination with RBK Hub and should use CHC mobile application.

Conditions for the Group

- 1. The group has to apply on line and permit has to be issued by JDA of the district@ one per Hub.
- 2. will be eligible for 40% Financial assistance from the department.
- 3. The Group enter should enter into an agreement with the RBK Hub/ Agros for the movement of machinery outside jurisdiction , if any.

4. Hiring rates are to be finalised based on prevailing local market prices and finalised by the Committee formed to finalise the prices for farm operations at Hub Level with the help of department officials, AP Agros, Farmer representatives and Banker who finances the machinery.
5. The Group shall not act as a independent entity but as an extended arm of RBK hubs in facilitating machinery to farmers through RBKs.
6. The machinery shall be kept in the protected place provided by the RBK Hub.
7. Shed for protection is to be provided by the group only.
8. Insurance Coverage to machinery is to be taken by the group .
9. To look into the safety aspects of the farmers/operators while operating various agricultural machinery, the group should obtain "Pradhan Mantri Suraksha Bima Yojna" for himself/herself and also for the actual operator who operates his/her agricultural machinery. "Pradhan Mantri Suraksha BimaYojna" which covers the various benefits to the person insured like death, total irrecoverable loss of eyes, hand or feet etc. during operation of any agricultural machinery.

Financial Assistance for Procurement of Agriculture Machinery and Equipment to individuals:

Government Promotes ownership of certain limited agricultural machinery & equipments which are useful to the farmers. Financial assistance will be limited up to 50% limited to RS 75, 000 whichever is less for the equipments allowed to be supplied to individuals.

Beneficiaries who had availed the subsidy under SMAM scheme in the last three years are ineligible to apply.

Top Up subsidy to SC, ST is applicable only if the SC, ST Corporations agree and release funds to the beneficiaries from their own funds. State Development funds under Farm Mechanisation will not be allocated towards top up subsidy. Top Up subsidy, if applicable, will be released to the beneficiaries bank account only.

The farmers have to apply on line based on the availability of targets for the mandal for the implements which will be verified at the village level by VAA and MAO and permits shall be issued by the Assistant director at Division level. The farmer shall have the choice to procure the equipment by paying the full cost to the manufacturer/ dealer of his choice and can purchase the equipment. The equipment shall be geo tagged and shall be verified physically by the Mandal agricultural officer and shall be recommended for release of subsidy the farmers bank account. Allowable subsidy as per norms given below will be released by the department into the bank account of the beneficiary. All the beneficiaries who are benefitted under the scheme will be notified on the notice board at RBK in the village. These equipments shall be allowed only up to the limited funds allocated to the district.

Service centers:

Manufacturers on behalf of its dealers has to enter into an MOU with the Department of Agriculture, AP for empanelment. Each firm has to establish service center at mandal level for their products wherever their products are supplied.

Sufficient spares should be made available for the equipments being used in the area in the State.

Monitoring:

- i. All the Machinery supplied under the FM Schemes will be checked thoroughly and at random for the quality being maintained by manufacturers. Only Tested implements by FMTTI and its designated Institutes are eligible under FM Schemes supplies.
- ii. The established machinery CHC at villages and at, Hi tech machinery hubs will be provided technical assistance by KVKs and training at FMTTI Centers and by manufacturing firms.
- iii. The CHCs, hubs established in the state will be supervised by the Joint Director of Agriculture / Asst Director Agriculture / Mandal Agriculture Officer for its operation.
- iv. The Hiring Charges range will be finalised by Village level committee having MAO, HO, 2 Farmer representatives nominated by ADA, Bank representative at the RBK for each and every village for different operations in the Village.
- v. New implements which are indigenous developed shall also be kept at CHC.

Training & Exposure visits:

- a. In order to enrich the knowledge base of the to the farmers and members of the Groups who have established the CHCs, trainings will be arranged through Southern Region for Farm Machinery training and Testing Institute and through AP Skill development Corporation Ltd .
- b. Exposure visits to nearby States on the machinery use and operations of different machineries in neighbouring states will be arranged from administrative and contingency funds.
- c. Two regional training centers will be established at East Godavari and Kurnool to provide in house on farm trainings on continuous basis
- d. Machinery melas will be organised at different districts to facilitate the groups to see to new implements available to suit the crops raised before selection of set of implements to CHC, which will facilitate the farmers to keep innovative machinery which were not supplied earlier.

Sl. No.	Item	Maximum Permissible Subsidy	Pattern of Assistance	Remarks
1.	Establishment of Farm Machinery Banks for Custom Hiring	Project Based	40%	Project Cost ranging between Rs. 10-15 Lakhs

2.	Establishment of Hi Tech High Productive Equipment Hub for Custom Hiring	Project Based	40%	Project cost ranging Rs. 120 - 130 Lakhs
3.	Financial Assistance for Procurement of Agriculture Machinery and Equipment to individual farmers	Item Based	50% with a limitation up to maximum of Rs.75000/- whichever is less	Beneficiary has to pay the full cost at the time of purchase of equipment. Subsidy shall be released to the bank account of the farmer after verifying the equipment.

Note: Maximum permissible assistance per machine under the project will be as per the assistance indicated against each machine in Annexure II C of SMAM guidelines and for other machines which are not indicated in the list of Annexure IIC it will be 40% of the machine cost under CHCs.

POONAM MALAKONDAIAH
SPECIAL CHIEF SECRETARY TO GOVERNMENT

SECTION OFFICER