

CIRCULAR

Sub:- Central Sector Scheme -Sub Mission on Agriculture Mechanization (SMAM) –
Administrative Sanction accorded -Working Instruction Issued 2019-20– reg:

- Ref:- 1) G.O (Rt) 666/17/AD dated 21/06/2017
2) No 3-1/2015-M&T (I &P) dated July 2019 Gol
3) No 3-1(KERALA)/2015-M&T (I &P) dated June 2019 Gol
4) G.O (Rt) 758/2019/AGRI dated 07/08/2019

As per reference cited 1st Government of Kerala has conveyed approval and one time administrative sanction for the implementation of CSS Scheme "Submission on Agriculture Mechanization" (SMAM) valid upto 2021-2022. The Annual Action Plan for the year 2019-20 submitted to Gol is for ₹ 4181.60865 Lakhs. Vide reference 2nd cited above Government of India has accorded administrative approval for the annual action plan for an amount of ₹2000.00 Lakhs in which Gol share is ₹ 1200.00 Lakhs and GoK Share is ₹ 800.00 Lakhs for the implementation of the scheme during 2019-20 and released the Government of India share of an amount of ₹ 1200.00 Lakhs. As per reference 3rd cited Government of India have revalidated the unspent balance of ₹ 301.79 lakhs during 2018-19 for utilization in 2019-20. For current financial year, Government of India approved the components 3,4,6, flexi fund and Administrative expenses for the implementation. The sharing pattern between Gol & GoK is 60 : 40 for these components. Scheme Sub Mission on Agriculture Mechanization(SMAM) under National Mission on Agricultural Extension and Technology (NAMET) in the plan write up of 2019-20 comes under the scheme Krishi Unnathi Yojana, the expenditure shall be met under the H/A 2401-00-109-65 (General Category), 2401-00-789-86 (SCPSC Category), 2401-00-796-87 (TSP Category). The revised operational guideline of SMAM 2018-19 is available in website <http://farmech.dac.gov.in> of Government of India. The scheme mainly intends to promote the usage of farm mechanization and increase the ratio of farm power to cultivable unit area.

As per the reference 4th cited above Government of Kerala have accorded sanction to release an amount of ₹ 1200.00 lakhs(₹ 800.00 lakhs under general category, ₹ 300.00 lakhs under SCPSC category and ₹ 100.00 lakhs under TSP category) along with its matching state share of ₹ 799.997 lakhs (₹ 533.33 lakhs under General category, ₹ 200.00 lakhs under SCPSC category and ₹ 66.667 lakhs under TSP Category).

1. Mission Objectives

The scheme envisages accomplishing the following objectives.

1. Increasing the reach of farm mechanization to small and marginal farmers and to the regions where availability of farm power is low;
2. Promoting "Custom Hiring Centres" to offset the adverse economies of scale arising due to small land holding and high cost of individual ownership;
3. Creating hubs for hi-tech & high value farm equipments;
4. Creating awareness among stakeholders through demonstration and capacity building activities;

2. Mission Components

Component 1: Promotion and Strengthening of Agricultural Mechanization through Training, Testing and Demonstration: Aims to ensure performance testing of agricultural machinery and equipment, capacity building of farmers and end users and promoting farm mechanization through demonstrations.

Component 2: Demonstration, Training and Distribution of Post-Harvest Technology and Management (PHTM): Aims at popularizing technology for primary processing, value addition, low cost scientific storage/transport and the crop by-product management through demonstrations, capacity building of farmers and end users. Provides financial assistance for establishing PHT units.

Component 3: Financial Assistance for Procurement of Agricultural Machinery and Equipment: Promotes ownership of various agricultural machinery & equipment's as per norms of assistance.

Component 4: Establish Farm Machinery Banks for Custom Hiring: Provides suitable financial assistance to establish Farm Machinery Banks for Custom Hiring for appropriate locations and crops.

Component 5: Establish Hi-Tech, High Productive Equipment Hub for Custom Hiring: Provides financial assistance to set up hi-tech machinery hubs for high value crops like sugarcane, cotton etc.

Component 6: Promotion of Farm Mechanization in Selected Villages: Provides financial assistance to promote appropriate technologies and to set up Farm Machinery Banks in identified villages in low mechanized states.

Component 7: Financial Assistance for Promotion of Mechanized Operations/hectare Carried out Through Custom Hiring Centres: Provides financial assistance on per hectare basis to the beneficiaries hiring machinery/equipments from custom hiring centres in low mechanized areas.

3. Components under SMAM for the implementation in 2019-20

1. CSS-60:40 -Financial Assistance for Procurement of Agriculture Machinery and Equipment (Component No.3):

In order to bring more area under mechanized agriculture, assistance and credit facilities is provided to farmers/ agricultural labourers for the purchase of machinery. It is also proposed to provide assistance to farmer groups, self help groups (SHGs) user groups, co-operative societies, farmer producer organizations (FPOs) and entrepreneurs etc. Assistance as per norms will be given as back-end subsidy. Usage of machinery both for wetland and garden land will be promoted under this component. It should always be ensured that the machineries are approved by the Ministry of Agriculture & Farmers Welfare Government of India for Testing and Certifying Agricultural Machineries and Equipments. The pattern of assistance is as per Annexure II (c) of GoI Revised Operational Guidelines of Submission on Agricultural Mechanization 2018-19 dated 21.02.2019.

A total financial outlay of ₹ 968.77 Lakhs in which ₹ 581.26 Lakhs of Govt of India (GoI) share and ₹ 387.51 Lakhs of Govt. of Kerala (GoK) share. The financial assistance will be provided as per the guidelines of SMAM. It should be ensured that the benefits under various other schemes of DAC&FW including RKVY are not extended to the same beneficiary twice.

2. CSS-60:40 Establish Farm Machinery Banks for Custom Hiring (Component No.4):

The vision is to promote custom hiring of agriculture machines / implements and skilled labour force for various agricultural operations. Custom Hiring Centre (CHC) would be the service delivery systems with rural entrepreneurs, progressive farmers and SHG's etc. managed collectively and designed to cater various needs of the farmers. The following parameters may be chosen for selection of village/Town for setting up of custom hiring centers:

Low ratio of farm power availability, low number of tractor population, small & marginal operational holdings and less productivity of food grains but potential to enhance productivity.

District level agencies will identify/invite application of entrepreneurs including manufacturers to set up CHCs. Any business model can be adopted for expanding the reach of mechanization through custom hiring centres. It will be necessary to maintain, upgrade the CHCs from time to time. Eligible applicants can register online in the site agrimechinery.nic.in. Approval will be done on first cum first serve basis depending on the target allotted to the district. Financial assistance for setting up of custom hiring centres will be available to rural entrepreneurs, progressive farmer and SHGs as per pattern of assistance is as per Annexure II (d) of GoI Revised Operational Guidelines of Submission on Agricultural Mechanization dated 21.02.2019.

The custom hiring centres having the project cost more than ₹ 25 lakh will be established under the model of credit linked back ended financial assistance. The bank will lock the financial assistance released to them for a period of 4 years. The beneficiary

will repay the complete bank loan within the period of not less than 4 years. The beneficiary will not be allowed to transfer/ sell/ mortgage the CHC to any one before the completion of 6 years.

The established CHCs will be provided technical assistance from the AEE(Agri)/ RTTC/KVKs/enlisted manufacturers/approved Testing Centres, FMTTIs and ICAR centres to maintain and train CHC entrepreneurs. The custom hiring centres established under the mission will be supervised by the District Agriculture Engineering offices for its operation so that custom hiring charges are reasonable and affordable to small and marginal farmers. They have to register in the CHC mobile App of Govt. of India after procurement of machines.

The total estimated financial assistance comes to ₹60.00 Lakhs with GoI Share of ₹ 36.00 Lakhs & GoK share of ₹ 24.00 Lakh. The target will be fixed based on the needs from the District.

3. CSS-60:40 Promotion of Farm Mechanization in Selected Villages (Component No.6):

To establish farm machinery banks by the Cooperative Societies of farmers, Self Help Group of Farmer, FPOs and any such other entities in the selected villages of low mechanized areas so as to encourage members to take up appropriate mechanized operations

Each village will be eligible for setting up of farm machinery banks (with minimum 8 farmers per bank) upto a maximum project cost of ₹ 10 lakhs. Financial assistance @ 80% of the project cost to a maximum of ₹ 8.00 Lakhs as per norms will be provided for such machinery banks. The pattern of assistance is as per Annexure II (f) of GoI Revised Operational Guidelines of Submission on Agricultural Mechanization.

The total financial assistance will be is ₹ 600.00 with GoI share of ₹ 360.00 Lakhs and GoK share of ₹ 240.00 Lakhs.

4. Flexi fund:

Flexi fund is earmarked to meet the following objectives

- a) To provide flexibility to states to meet local needs and requirement within the overall objective of SMAM;
- b) To pilot innovations and improved efficiency within the overall objective of the scheme and its expected outcomes;
- c) To undertake mitigation/restoration activities in case of natural calamities in the farm mechanization sector.

For getting wide publicity of the programme it is decided to conduct exhibitions of agricultural machineries/ equipments at district level. The exhibitions may be conducted in association with the local festivals/ other schemes. The district agricultural farm or any other suitable locations may be selected for the exhibition. The dealers/ manufactures/ suppliers of equipments/ implements used in homestead farming may be given due

importance in the exhibition. The Assistant Executive Engineer(Agri) of the district and RTTC are entrusted with the conduct of the exhibition.

The Assistant Executive Engineer (Agri) of the district will be the investigating officer for procurement of machinery for the scheme. The Office of the Assistant Executive Engineers (Agri) functioning in the district will provide technical support in formulation of the district annual action plan, its implementation and monitoring.

It is decided to appoint sixteen Technical Assistant(Farm Mechanization) on contract basis for a period upto March 31st 2020 for the successful implementation of the scheme. The postings of the Technical Assistant will be at Directorate, RTT Centre and fourteen district headquarters. The duties of the Technical Assistant include help desk for registration of farmers, inspection of dealers/ manufactures, timely supply of machines, field verification of the equipments/ machinery supplied, documentation of the programme, to give technical guidance to farmers for effective utilization of the equipments/ machinery supplied, DBT data entry of application, implementation of the scheme, arranging wide publicity of the programme, geo tagging, technical guidance to users, compilation of beneficiary list, preparation of updated monthly progress report, updates of CHC mobile app, formulation of annual action plan of the district, conduct assessment of agricultural mechanization in agriculture production and productivity and effect on farmers income, and any other activities for the successful implementation of the scheme. The remuneration of the Technical Assistant should be drawn and disbursed by the Assistant Executive Engineer(Agri)/ appointing authority of each district. The basic qualification for the Technical Assistant is B-Tech in Agricultural Engineering. The consolidated pay fixed is ₹39,500/- per month.

The selection process of these Technical Assistant must be done in transparent manner abiding Government rules. The selection process may be done on district basis. The selection of Technical Assistant is the duty of the Assistant Executive Engineer(Agri) of the concerned district.

It is proposed to appoint two Data Entry Operators on contract basis for a period upto March 31st 2020 for the successful implementation of the scheme. The postings of the data entry operators will be at Directorate. The consolidated pay fixed is ₹19,950/- per month. The selection process of these data entry operators must be done in transparent manner abiding Government rules. The selection process may be done at Directorate level. The basic qualification of the data entry operator is graduation with six months computer course. The remuneration of the data entry operators should be drawn and disbursed by appointing authority.

Additional facilities to the Principal Agricultural offices, Assistant Director Agriculture offices, Assistant Executive Engineer(Agri) offices, department owned Custom Hiring Centres and RTT Centre like infrastructure, purchase of agricultural machinery, purchase of handy cam, android mobile phone, lap top, printer, stationery, publicity of the scheme at State/ District/ Block/ Panchayath level and through print and visual media etc can also be met from the flexi fund proposed. It is approved the automation of the department owned custom hiring center at RTTC. The development of hardware, software and

procurement of necessary GPS, sensors and consultation charges for experts and research programme can also be met from the flexi fund/ administrative expenses

A total financial outlay of ₹ 333.56 Lakhs is kept for this component in which ₹ 200.14 Lakhs is Gol share & ₹ 133.42 Lakhs is GoK Share.

5. Administrative expenses

The expenses required for the implementation of DBT portal, training, additional infrastructure for conducting training programme, documentation of the scheme, preparation of success stories, photographs, video graphs of success stories of the scheme, preparing training materials for farm mechanization, auditing of the scheme can be met from the Administrative Expenses. A total financial outlay of ₹ 37.67 Lakhs is kept for Administrative expenses in which ₹ 22.60 Lakhs is Gol Share & ₹ 15.07 Lakhs is GoK Share.

4. Scheme Implementation:

As per GO (MS) No. 198/14/AD dated 20/09/2014, Government have constituted State Level Executive Committee (SLEC) under the chairmanship of Agricultural Production Commissioner. SLEC will monitor the Scheme in State level. The management and monitoring mechanism of the scheme at district level will be done by the District Level Executive Committee (DLEC), comprising of District Collector (Chairman), Principal Agricultural Officer (Convener), Executive Engineer (Agri), Project Director ATMA, Deputy Director (C) and Assistant Executive Engineer (Agri) as members. Representatives of line Departments, SAUs/ICAR, nominated progressive farmers, representatives from SHG, representatives from lead banks/NABARD may also be included in the committee. DLEC will be responsible for carrying forward the objectives of the Mission for project formulation, implementation and monitoring with following functions.

- (i) Identify the areas of low ratio of farm power availability /areas with large number of small and marginal holdings for implementation of farm mechanization components.
- (ii) Identify beneficiaries (Farmers, Self Help Groups (SHGs), User Groups, Cooperative Societies, Farmer Producer Organizations (FPOs) and Entrepreneurs) to avail the benefits of SMAM in transparent and time bound manner. Identify entrepreneurs/SHGs to establish custom hiring centres.
- (iii) Tie up with the Banks for credit requirements of the beneficiaries
- (iv) Ensure that the benefits under various schemes of DAC such as RKVY, MIDH, NMOOP, NFSM etc. are not extended repeatedly to the same beneficiary.
- (v) Prepare district AAP with physical and financial targets under each component as per Annexure VII of the Government of India guidelines.
- (vi) Receive funds from State Nodal Department for implementing the programmes.

(vii) Make efforts for direct transfer of financial assistance to the farmers/beneficiary through on the basis of AADHAR Number and e payment wherever infrastructure is functional in the district.

(viii) Monitor & display details of approved programme, all activities undertaken and name of beneficiaries, expenditure incurred etc. at the Panchayat/prominent public place in the cluster/village level and get it placed before the concerned Gram Sabha annually from the point of social audit.

(ix) Study the impact on production and productivity after the implementation of the programmes and forward the reports to the State Nodal Department.

(x) Report the progress to State Agricultural Engineer in Annexure* IX(A) of the Government of India guidelines.

i. Test certificates from RTTC Centre Vellayani, Thiruvananthapuram, State Agriculture Universities (SAU) and designated institutes testing centres to ensure the quality of the agricultural implements and tool costing less than ₹ 35,000/- (Rupees Thirty Five Thousand) should be ensured before they are supplied under Government assistance programmes.

ii. Test report of any FMTTI or designated testing of DAC&FW from manufacturer/supplier of the agricultural implements and tools costing less than ₹ 35,000/- (Rupees Thirty Five Thousand only) or a system of self-certification for the desired specification/ quality/ performance of agricultural implements and tools may be accepted from manufacturers or supplier.

iii. The agricultural implements and tools costing less than ₹ 35,000/- (Rupees Thirty Five Thousands only) as at Sl.No (i) above covers only hand tools, garden tools, animal drawn/manually / tractor drawn implements required for land preparation/ sowing and planting/ inter cultivation/ harvesting and threshing/ transportation operations.

iv. All types of self-propelled agricultural implements/ equipment/ machinery and all types of plant protection equipment are not covered in clause no.(i) and (iii) above.

All applications for component 3,4 and 6 will be processed through online in <http://www.agrimachinery.nic.in>; Approval for subsidy will be on first cum first serve basis depending up on the target allotted to each district. Government of India issued guidelines for ensuring quality of agriculture machineries and equipment supplied under Government programme and schemes shall also be followed for the selection of machineries.

The assistance will be distributed through e payment with Aadhaar details of beneficiary by the Assistant Director of Agriculture at Block level through District Principal Agriculture Officer for the committed claims up to 31.03.2019 and by Assistant Executive Engineer(Agri) through Executive Engineer(Agri) for the current financial year.

5. Financial Outlay:

The total project cost for the implementation of above five components Financial Assistance for Procurement of Agriculture Machinery and Equipment, Establish Farm Machinery Banks for Custom Hiring, Promotion of Farm Mechanization in selected villages, Flexi fund and Administrative Expenses as detailed below.

Sl.No	Component	Estimated Cost (₹Lakhs)	Gol Share (₹Lakhs)	GoK Share (₹Lakhs)
1	3. Financial Assistance for Procurement of Agriculture Machinery and Equipment	968.77	581.26	387.51
2	4. Establish Farm Machinery Banks for Custom Hiring	60.00	36.00	24.00
3	6. Promotion of Farm Mechanization in selected villages	600.00	360.00	240.00
4	Flexi fund	333.56	200.14	133.42
5	Administrative Expenses	37.67	22.60	15.07
Total		2000.00	1200.00	800.00

The target set apart for the current financial year is ₹2000.00 Lakhs in which Gol share is ₹ 1200.00 Lakhs (₹ 800.00 lakhs under general category and ₹ 300.00 lakhs under SCPSC category and ₹100.00 lakhs under TSP category) and GoK Share is ₹ 800.00 Lakhs (₹ 533.33 lakhs under General category, ₹ 200.00 lakhs under SCPSC category and ₹66.67 lakhs under TSP category).

6. Implementation Schedule:

As per the reference 1st cited above the one time Administrative Sanction is valid upto the end of 13th Five Year Plan 2021-2022, inviting applications through print media, receiving applications, approval and distribution of assistance is a continuous process through online. The pending claims of the previous year (2018-19) (the purchase effected and bill generated on or before 31/03/2019) can be met from the current years provision.

The schedule of implementation of various above said activities will be implemented in a phased manner in the current financial year, the phasing of activity given below.

Sl No	Activity	On or Before
1	Target allocation	September 2019
2	Online receipt of application	September 2019 onwards
3	Physical verification	December 2019
4	Subsidy approval	January 2020
5	Bill generation and e-payment	February 2020
6	Annual action plan and UC Submission	March 2020

7. Role of Panchayat Raj Institutions.(PRIs)

The DLEC, to the extent possible, must ensure active participation of the Panchayath Raj Institutions (PRIs) in the implementation of this Mission. PRIs may also be involved in publicizing the demonstrations and training of farm equipment and in ensuring participation of farmers from nearby areas for widespread dissemination of technology.

8. Monitoring and evaluation

The Deputy Director of Agriculture (Credit)/Assistant Executive Engineer(Agri) of the district will be the District level implementing officer of the scheme. The utilization certificate of fund released and the physical and financial progress report should be submitted in the respective formats. E payment / DBT may be effected with Aadhar details as early as possible on receipt of bill.

The State Agricultural Engineer will monitor the programme at State Level.

The financial and physical achievement of the programme and utilization certificate must be reported to State Agricultural Engineer before 5th of every month through e mail to saekerala@gmail.com. The Principal Agricultural Officers should update the progress in PLANSACE at the district level. The Assistant Executive Engineer(Agri) should report the expenditure to the Principal Agricultural Officer for PLANSACE updation. The final utilization certificate, physical and financial performance report in Annexure VIII(A) as given in GoI guidelines should be submitted on or before 31st March 2020.

Sd/-

Director

To

All Principal Agricultural Officers
Executive Engineer (Agriculture), Kozhikode, Alappuzha
Assistant Executive Engineer (Agriculture) all districts
Technical Assistant, RTTC Vellayani

STATE AGRICULTURAL ENGINEER
Directorate of Agriculture

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