

File No. OP-14/7/2018-DD(OG)
Government of India
Ministry of Food Processing Industries
Panchsheel Bhawan, August Kranti Marg, New Delhi - 110049

Guidelines for short term intervention for all fruits and vegetables under Operation Greens under Atamnirbhar Bharat Abhiyan as on 11.06.2020

Ministry is implementing a central sector scheme, namely "Operation Greens" - A scheme for integrated development of Tomato, Onion and Potato (TOP) value chain with a budgetary allocation of Rs. 500 crores. The scheme has two-pronged strategy of Price stabilisation measures (for short term) and Integrated value chain development projects (for long term).

2. Due to restriction imposed on account of COVID-19, the supply chain has been disrupted and farmers are not able to sell their produce in the market. Hon'ble Finance Minister has announced on 15.05.2020 in the third tranche of measures for revival of the economy affected severely due to COVID-19 pandemic as part of Atamnirbhar Bharat Package Announcements:

- i. Operation Greens will be extended from Tomatoes, Onion and Potatoes (TOP) to ALL fruits and vegetables (TOTAL);
- ii. Scheme features - 50% subsidy on transportation from surplus production to deficient markets and 50% subsidy on storage, including cold storages;
- iii. Pilot for 6 months - will be expanded and extended;

3. After Inter-Ministerial Consultation, the Scheme was approved by Hon'ble Minister, FPI on 10.06.2020. Accordingly, a set of guidelines has been envisaged for quick implementation of the scheme and to encourage evacuation of surplus production of fruits and vegetables from the production area to consumption centres for the six months to moderate and check gluts and shortage. The salient features of the guidelines are as below:

- a. **Objective:** -The objective of intervention is to protect the growers of fruits and vegetables from making distress sale due to lockdown and reduce the post-harvest losses.
- b. **Eligible Crops:** - Following fruits & vegetables, on the basis of recommendation received from the Ministry of Agriculture will be eligible under the Scheme:-

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Fruits- Mango, Banana, Guava, Kiwi, Lichi, Papaya, Citrus, Pineapple, Pomegranate and Jackfruit

Vegetables: - French beans, Bitter Gourd, Brinjal, Capsicum, Carrot, Cauliflower, Chillies (Green), Okra, Onion, Potato and Tomato

Any other fruit/vegetable can be added in future on the basis of recommendation by Ministry of Agriculture or State Government

- c. **Eligible Production Cluster:** - The list of districts for each crop mentioned in Serial No. 7.5 of Horticulture Statistics at Glance 2018 published by Ministry of Agriculture (available at the website agricoop.nic.in) will be taken as eligible production clusters subject to meeting the criterion of essential conditions.
- d. **Duration of Scheme:** - for the period of six months from the date of notification.
- e. **Eligible entities:** - Food Processors, FPO/FPC, Co-operative Societies, Individual farmers, Licensed Commission Agent, Exporters, State Marketing/Co-operative Federation, Retailers etc. engaged in processing/ marketing of fruits and vegetables.
- f. **Pattern of Assistance:** - Ministry will provide subsidy @ 50 % of the cost of the following two components, subject to the cost norms:
- i. Transportation of eligible crops from surplus production cluster to consumption center; and/or
 - ii. Hiring of appropriate storage facilities for eligible crops (*for maximum period of 3 months*);
- Any incidental expenses or taxes, such as GST and other taxes levied at State/Central level will not be considered for the purpose of subsidy.
- g. **Essential conditions:** The subsidy will be disbursed to the eligible entities, in case of fulfilment of the following conditions: -
- i. Price in the notified production clusters meet any one of the following conditions:
 - a. Price fall below preceding 3 years' average market price at the time of harvest;
 - b. Price fall more than 15% compared to last year market price at the time of harvest;
 - c. Price fall less than the benchmark price for procurement, if any, fixed by the State/Central Government for a specified period;

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- ii. Procurement to be made directly from farmers, FPO/FPC, Co-operative Society or Licensed Commission Agent and payment should be made only through banking channel;
- iii. Minimum quantity to be procured and transported/stored per applicant (*may consist of one or more than notified crops*) will be as under:
 - a. 100 MT for FPO/FPC, Co-operative, Individual farmers;
 - b. 500 MT for Food Processor, Exporter, Licensed Commission Agent;
 - c. 1,000 MT for Retailers, State Marketing/Co-operative Federation;
- ii. Eligible Criterion for Transportation: minimum distance from notified surplus production clusters to consumption centre, processing plant, retail outlet, or ports/ airport/ICD/CFS in India, as the case may be (by road, railway or air):
 - a. 100 Km for Food Processor, FPO/FPC, Co-operative, Individual farmer, Licensed Commission Agent, Exporter;
 - b. 250 Km for Retailers, State Marketing/Co-operative Federation;
- ii. Storage at licensed warehouse or Cold Storage may be at notified production clusters, consumption centers or any place en-route consumption center
- iii. Payment for transportation and storage charges should be made only through banking channel;
- iv. Maximum admissible subsidy amount per applicant will be Rs. 1 crore during the entire period of 6 months;
- v. For Food Processors, eligible quantity of procurement of crops for subsidy purpose will be capped with reference to installed capacity of their processing plant.
- vi. No application should be made after completion of three months from the date of Transport or Storage invoice, as the case may be.
- vii. Ministry shall review the above conditions from time to time and to take suitable decision to amend/modify/ delete any of the provisions of the scheme guidelines
- h. **Submission of claim for subsidy** - Eligible entities, who comply with the aforesaid essential criteria may undertake the transportation and/or storage of notified crops from notified surplus production cluster, without any prior approval from MoFPI and thereafter submit their claim on online portal <https://www.sampada-mofpi.gov.in/Login.aspx>. They need to fill the requisite

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information in the claim form and upload the self-certified supporting documents on the portal.

The applicant should register on the portal before carrying out transportation/storage of fruits and vegetables.

- i. Category -wise weekly summary of claims will be generated and shared with the concerned agencies, as indicated below for the comments. If the comments if not received within 15 days, it will be presumed that they don't have to offer any comments and the claim will be settled based on the merit of the case:

| <u>S. No.</u> | <u>Category</u> | <u>Nodal Agency</u> |
|---------------|---|----------------------|
| 1 | Food Processor | MoFPI |
| 2 | FPO/FPC | SFAC/MoFPI |
| 3 | Co-operative Society | NCDC/MoFPI |
| 4 | Individual farmer | State Marketing dept |
| 5 | Licensed Commission Agent | State Marketing dept |
| 6 | Exporter | APEDA |
| 7 | State Marketing/ Co-operative Federation | MoFPI |
| 8 | Retailer | MoFPI |

- j. **List of supporting documents:** - The applicant will make online submission of the claim for release of subsidy (for transportation and storage) in prescribed format along with the following supporting documents:
- i.i. Purchase Invoice for eligible crops from the notified production cluster;
 - i.ii. Farmer's detail from whom crop has been procured;
 - i.iii. Sale/Transfer Invoice for eligible crop to consumption center/plant/port/retail outlet;
 - i.iv. Transport Invoice & Receipt, and other relevant documents showing payment made for the transportation of crops such as Weighbridge receipts, Toll plaza receipt, Geo-tag photographs (with truck no. date and time).
 - i.v. Storage Invoice & Receipt showing payment made for the storage of the crop such as Weighbridge receipts, Geo-tag photographs (with truck no. date and time), Rent/Lease Agreement.
 - i.vi. Copy of bank statement showing payment made to the farmers, transport charge and/or storage charge;

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- k. **Program Management Agency (PMA)** - MoFPI will engage services of existing PMAs under Operation Greens scheme to assist the Ministry in implementation and monitoring of the Scheme.
- l. **Deficiency in the application** - Deficiency in the application, if any, shall be communicated by the PMA to the applicant. Rectification of deficiency in application should be done by the applicant within the last date prescribed by the Ministry, failing which it will be rejected.
- m. **Mission Operation Greens (MOG)** meeting will be held regularly on weekly basis (*every Monday, in case of holiday, next working day*) to consider recommendation of PMAs and approval of the claims submitted by applicants. The claims will be settled within 2 weeks of receiving of complete application for claim. In addition, MOG will consider the progress of the scheme, recommendation for inclusion of any more eligible crops, surplus production area and other policy matters.
- m. **Audit mechanism** - 10% of the cases will be selected on random basis. Wherever required, Ministry or its authority agency may call for original documents for verification. Failure to submit documents in original would make applicant liable to refund the subsidy along with interest at the rate of 15% per annum, from the date of sanction of subsidy. In case any discrepancy and/or over claim is found on such examination, the applicant shall be under obligation to rectify such discrepancy and /or refund the excess claimed with interest at the rate of 15% per annum on recoverable amount with one month. Case of fraud, misrepresentation/misdeclaration, falsification and fabrication of documents or other willful default would be dealt as per penal provisions of the relevant Criminal and Civil Law(s).
- o. Central Government Agencies (e.g., NAFED, CONCOR etc.) and State Level Agencies (e.g., State Agri Industries Corporation, Agri Marketing Federation etc.) will be involved in implementation of the Scheme.
- p. **Service Charges**: - Service Charges at the rate of 2.5% of the subsidy amount may be utilized by the Ministry for administrative purpose.
- q. **Cost Norms for subsidy on Transportation and Storage**: - The following cost norms shall be applied while calculating eligible transportation and storage cost for calculation of subsidy admissible under the scheme.

Transport Charge

- i. Normal Truck Rate:- ₹ 2.84 per MT per Km

ii. Reefer Van Rate: - ₹ 5 per MT per Km

In case of transportation by Railway and Air, the actual freight amount charged by the Indian Railway and Air India will be considered as eligible cost.

Storage Charge

i. Warehouse Rate:- ₹ 345 per MT per season

ii. Cold Storage Rate:- ₹ 2,000 per MT per season

Maximum period of three months will be considered for subsidy towards hiring of appropriate storage facilities for eligible crops;