(i) A consolidated AAP for all the schemes of DA&FW may be prepared by the State Agriculture Department in one go including that for crop residue management.

(ii) Tentative overall allocation of funds availability of all the schemes under RKVY including that for crop residue management will be communicated to the State Governments as a reference point to finalize the AAP.

(iii) Presentation of overall AAP for the agriculture sector of the state will be done by the State Agriculture Secretary to Government of India and the comments of GoI will be given in the meeting itself and minuted.

(iv) The final approval for the consolidated AAP with the comments of GoI will be approved by SLSC headed by the Chief Secretary of the State.

(v) Further consolidated instructions will be issued by the Ministryof Agriculture & Farmers Welfare to State governments where decision making powers will be exercised by the State governments and detailed proposals need not be sent to the Central Government for approval.

S. No.	Activity	Timeframe
1.	Preparation of consolidated AAP by the states and communication to GoI	15th February
2.	Presentation of AAP to the Ministry of A&FW, GoI by the State Agriculture Secretary	February – March (2nd week)
3.	Final Approval by SLSC headed by Chief Secretary of the State.	31st March

5.0 Annual Action Plan Components:

5.1 Financial assistance to farmers for procurement of crop residue management machines on individual ownership basis:

(a) Implementing Agencies: State Governments/UTs

(b) Identification of Beneficiary: Beneficiarieswill be identified by the State/district nodal agencies in a transparent manner. The areas of having larger problems of crop residue burning may be focused to increase availability of appropriate machines.

(c) Financial Assistance: The rate of financial will @ 50% of the cost of machinery. The list of machines identified for crop residue management together withceiling limit for subsidy is indicated in **Annexure-I**.

5.2 Establishment of Custom Hiring Centres of Crop Residue Management Machines:

(a) Implementing Agencies: State Governments

(b) Composition of Custom Hiring Centres:

The machines/equipments for establishing Custom Hiring Centres (CHCs) appropriate for the crop residue management will be selected from within the list at **Annexure-I.** Each CHC should be provided the machines and equipments for the entire operations of crop residue management. The capacity of the machines may be selected on the basis of area to be covered in a cropping season.

(c) Financial Assistance:

Financial assistance @ 80% of the project cost for the projects of Custom Hiring Centres (CHCs) costing up to Rs. 15 lakhs will be available to Rural Entrepreneurs (Rural youth and farmer as an entrepreneur), Cooperative Societies of Farmers, Self Help Groups (SHGs), Registered Farmers Societies, Farmer Producer Organizations (FPOs) and Panchayats. The maximum permissible assistance per machine under the CHC project will be the amount arrived by multiplying the maximum permissible assistance for each machine indicated in **Annexure I** with 1.6. The maximum permissible assistance for each project should not exceed Rs. 12.00 lakhs per project.

5.3 Establishment of crop residue/paddy straw supply chain:

The boarder objectives of the crop residue/paddy straw supply chain will be as under:

- Enable better environmental practices for ex-situ management crop residue.
- Establishing collection infrastructure, bailing, transportation and handling of large amount of crop residue and creation of storage facilities.
- Utilizing the paddy straw in different industries utilizing it such as biomass power generation units, Biomass co-firing in Thermal Power Plants, Bio-CNG, Bio-Ethanol, etc.
- Assured procurement of paddy straw from farmers through the by the paddy straw aggregators.

- Ensure increase in income (both from the produce and later from the sale of paddy residue) for farmers and enhance rural employment and financial inclusion.

(a) **Implementing Agencies:** State Governments

(b) **Financial Assistance:**

(i) The project proposal based financial assistance will be provided only on the capital cost of machinery and equipment like Higher HP Tractor, Cutters, Tedder, Medium to Large Balers, Rakers, Loaders, Grabbers and Telehandlers. The capital subsidy will be released into the bank Escrow account of beneficiary through Direct Benefit Transfer (DBT). The financial contribution of each stakeholder may be as follows:

(a) Government (jointly by Central and State Governments) will provide financial support of 65%. The government shall implement the intervention through a bilateral agreement between Beneficiary, and Industries and monitor the effectiveness with respective State Agriculture Departments to monitor and manage the project. *The expenditure will be met from the flexi funds of the Crop Residue Management Scheme.*

(b) Industry as primary promoter of the project will contribute 25% and will act as the Primary consumer of the feedstock collected via machinery. Industry will be responsible for overall effective machinery deployment via most suitable machinery manufacturers, training of beneficiaries, aggregation planning along with volume and quality guidelines, on-ground execution of aggregation during post-harvest collection period, pricing of feedstock and offtake guidelines. Industry will be primary consumer of the feedstock throughout the life of the machinery.

(c) Farmer or group of Farmers or Rural Entrepreneurs or Cooperative Societies of Farmers or Farmers Producer Organizations (FPOs) & Panchayats will be the direct Beneficiary will contribute the balance 10% and will be the primary aggregator of feedstock and direct beneficiary of this PPP model. Farmer will perform the feedstock collection targets in line with the volume and quality guidelines of the end-use industry/project throughout the life of the machinery.

(ii) Financial assistance from the Government will be provided only on the capital cost of machinery and equipment and the rest of the capital

expenditure and required working capital may be arranged by the beneficiary utilizing National Agriculture Infra Financing Facility (AIF) or NABARD financing or financing from any other financial institution.

(iii) The Indicative Capital Expenditure for Setting up Paddy Straw Supply Chain (For 3000 MT Paddy Straw per Season and 4500 MT Paddy Straw per Season) is given in **Annexure-II.** However, the maximum allowable cost for each machine covered under the project shall be decided by the State Governments. For the purposeof financial assistance on 4500 MT paddy straw per season projects, the capital cost of project will be limited to Rs. 1.50 Crores/project.

(c) **Management:**

The implementation of the intervention is proposed as a PPP (Public Private Partnership) model on pilot project basis to support the investment planned for ex-situ machinery deployment. The programme will be monitored by Department of Agriculture & Farmers Welfare with the help of Agriculture Departments of the State Government. However, the management of supply chain is the responsibility of scheme beneficiaries' e.g. Farmers or a group of farmers, entrepreneurs, Cooperative Societies of Farmers, Farmers Producer Organizations (FPOs) and Panchayats in association with the participating industry.

(i) The projects will be implemented under the bi-lateral agreement between the Beneficiary and Industries utilizing the paddy straw. Agreement shall be executed between the stakeholders to ensure smooth implementation of the interventions keeping the interests of the industrial project and beneficiaries interests by addressing measures for Risk Mitigation, Default clauses etc., to protect the investment made by all respective stakeholders.

(ii) The State Governments shall constitute a project sanctioning committee which shall devise a template for submission of project proposal by the beneficiaries. The Committee shall also evaluate the project proposals and recommend the proposals for approval or otherwise.

(iii) The sample format for the bilateral agreement is enclosed as **Annexure-III** and the provisions indicated in the sample agreement may be amended as per the requirements and mutual consent of the parties.

(iv) The projects will be implemented within the overall broad criteria indicated in the Concept Note enclosed as **Annexure-IV**. The concept note is just for reference purpose.

Annexure-I

Pattern of Assistance and Maximum Permissible Subsidy for the Farmers for procurement of crop residue management machines on individual ownership basis

S.No.	Name of the machine/equipment	Pattern of Assistance	Maximum Permissible subsidy per Machine/ Equipment per beneficiary inclusive of GST @ 12% (Rs.)
1.	**Super Straw Management System (Super SMS) to be attached with Combine Harvester**	50%	54290
2.	**Happy Seeder**		
	a) 09 tine	50%	74,000
	b) 10 tine	50%	76,500
	c) 11 tine	50%	78,500
	d) 12 tine	50%	82,000
3.	**Paddy Straw Chopper/ Shredder/Mulcher**		
	a) Mounted type (Straw Chopper &Mulcher)		
	i) 5 ft	50%	74,000
	ii) 6 ft	50%	78,000
	iii) 7 ft	50%	82,000
	iv) 8 ft	50%	86,500
	b) Trailed type	50%	1,34,000
4	**Shrub Master/Rotary Slasher**	50%	22,375
5.	**Hydraulic Reversible M.B. Plough**		
	a) Two bottom	50%	71,250
	b) Three bottom	50%	92,750
	c) Four bottom	50%	1,14,250
6.	**Zero Till Seed cum Fertilizer Drill**		
	9 tine	50%	22,500
	11 tine	50%	25,600
	13 tine	50%	28,000
	15 tine	50%	30,000
7.	**Super Seeder**	50%	1,05,000
8.	**Baling Machines**		
	Balers (Round – Mini - below14 kg per bale)	50%	1,50,000
	Balers (Round – Medium -above 16-25 kg per bale)	50%	5,50,000
	Balers (Round –big-180-200 kg per bale)	50%	9,00,000
	Baler (Rectangular 18-20 kg per bale)	50%	6.00.000
	Straw Rake	50%	1,50,000
9.	**Crop Reaper**		
	Tractor mounted	50%	75,000
	Self-Propelled	50%	75,000
	Self-Propelled reaper cum Binder (3 wheel)	50%	1,75,000
	Self-Propelled reaper cum Binder (4	50%	2,50,000