

MOST - IMPORTANT
REPLY - IMMEDIATE



सत्यमेव जयते

No. 9-1/2016-RKVY
Government of India
Ministry of Agriculture and Farmers Welfare
Department of Agriculture, Cooperation and Farmers Welfare
RKVY Division

Krishi Bhavan, New Delhi.
Dated the 16th January, 2017.

To,

Pr. Secretary (Agriculture)/ Agriculture Production Commissioner,
Director (Agriculture),
All States/UTs.

Sub: Concept Note of RKVY for its implementing during 2017-18 to 2019-20 – regarding.

Sir,

You are aware that RKVY is one of the flagship schemes of Government of India launched in 2007-08 whereby funds are released to the States/UTs as grants. The scheme has undergone modification during its implementation taking into consideration the need of the hour. After its implementation over two five year plans, it has been further necessitated that the scheme need certain modification. Accordingly, a concept notes detailing the modification is enclosed herewith soliciting comments from the States/UTs by 16.01.2017.

This may be treated as '**PRIORITY**'.

Encl: As above.

Yours faithfully,

V. K. Srivastava

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1. **Background:** Rashtriya Krishi Vikas Yojana was initiated in 2007 as an umbrella scheme for ensuring holistic development of agriculture and allied sectors by allowing states to choose their own agriculture and allied sector development activities as per the district/state action plan. The scheme has come a long way since its inception and is going to complete 2 plan periods (11th and 12th) of implementation. Now, it is required to reorient the scheme to be in sync with the present scenario of policy changes and changing priorities in agriculture and allied sectors. Policy goals of doubling of farmers' income, skill development in agri-entrepreneurial sector, attracting the youth to agri-start-ups and making agriculture remunerative are given priority while revamping RKVY scheme for the rest of 14th Finance Commission period.

2. **Proposed Changes in existing structure of RKVY**

2.1. Basic orientation of the scheme is to be changed from production centric to **farmer centric**. The name of the scheme can be changed from Rashtriya Krishi Vikas Yojana to **Pradhan Mantri Rashtriya Kisan Vikas Yojana**.

2.2. Tagline: "**sudhrud Kisan, sampann Bharat**"/ "**sashakth Kisan , sampann Bharat**

2.3. **Aim of the Scheme:** Through a multipronged approach the revised RKVY scheme aims to make farming as a remunerative economic activity.

2.4. **Objectives:**

- To strengthen the farmers' efforts through creation of required infrastructure that help in supply of quality inputs, post production facilities etc. and enable farmers to make informed choices.
- To provide flexibility to States to choose infrastructure models as per farmers' needs from bouquet of activities.
- To promote region and problem specific initiatives that will help in increase in income of farmers as well as increase in production/productivity.
- To empower farmers to risk mitigation with more focus on off-farm

additional income generation activities - like integrated farming, bee keeping, aromatic plant cultivation, floriculture etc.

- To empower/promote agri-entrepreneurs, incubators and support business models that maximizes returns to the farmers in agriculture and allied sectors- to foster innovation and entrepreneurship
- Growth in agriculture and allied sectors

2.5. Proposed streams under RKVY:

At present, 35% of RKVY funds are utilized for production growth oriented projects; 35% infrastructure and asset building; for special schemes- 20% and flexi funds- 10%. States can take up either production growth oriented projects or infrastructure projects under flexi funds.

For the proposed period of Scheme continuation i.e. for 2017-18 to 2019-20 which is coterminous with Fourteenth Finance Commission (FFC) period ending March, 2020, it is proposed to do away with the existing production growth channels/streams as Central Government is already providing funds to the States from different Central Sponsored Schemes namely NFSM, MIDH, PKVY, PMKSY etc. for improving the productivity. Further, the need has been felt for making the scheme from farm production centric to farmer centric. The thrust of the scheme is re-oriented towards strengthening the farmers' efforts through creation of required production enhancing and post production related infrastructure in agriculture and allied sectors and enable farmers to make informed choices. Flexibility is provided to States to choose infrastructure models as per farmers' needs from bouquet of activities and to utilize flexi funds as per the state specific needs; empowering the farmers to risk mitigation through alternate income generation activities with more focus on innovations that lead to additional income generation- like integrated farming, bee keeping, aromatic plant cultivation, floriculture, contract farming etc.; and

additional income generation activities - like integrated farming, bee keeping, aromatic plant cultivation, floriculture etc.

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promotion of region and problem specific initiatives that will help in increase in income of farmers as well as increase in production. Innovative agri-entrepreneurs like individual youth/ farmers/FPOs will also be encouraged in PPP mode / independently and supported through technical backstopping, mentoring, by providing funds for establishing agribusiness ventures. Public and private incubation centres will also be supported for providing mentoring and technical back stopping to the agri-entrepreneurs. Therefore, it is proposed to have the following channels/ streams during next three years ending with Fourteenth Finance Commission in March 2020.

- 1) **RKVY (Infrastructure and Assets) with 50% of annual outlay; including**
 - **Production enhancing infrastructure** – 20 per cent for assets like Quality Testing laboratories for seeds, soils, pesticides and fertilizers, Seed Processing Labs etc; Automatic Rain Gauge Stations, Automatic Weather Stations etc. The list is only indicative not exhaustive.
 - **Post-production related infrastructure** – 30 percent like: Primary processing at farm gates, Agri-logistics, Milk Collection Centres, Marketing, Processing & value addition etc. The list is only indicative not exhaustive.
- 2) **RKVY (Special Schemes) with 20% of annual outlay;**
Presently BGREI, Reclamation of Problematic Soils, Rice Fallows for Pulses & Oilseeds, Crop Diversification Program, Foot and Mouth Disease, are the sub-schemes existing under RKVY. More preference will be given for region specific, problem solving initiatives of national importance under this sub-scheme head.
- 3) **Support to Innovative Agri- Enterprises including skill development – (8%);** This fund will be utilised for creating end to end solution to the agri-entrepreneurs through skill development and

financial support for setting up the agri-enterprise. The cell activities can be specified as follows:

- Support the public/ private incubation centres - for infrastructure , mentoring of agri-entrepreneurs.
- Support to public/private institutions, KVKs involved in agribusiness training and Skill development.
- Financial support to incubatees/ individual youth/ farmers/ FPOs with innovative ideas for setting up of agri business that will benefit farmers- Empowerment of small and medium Agri entrepreneurs
- This fund will be managed at Gol level by RKVY Division.

A special "Innovation and Agri entrepreneur cell" will be created at RKVY Division level to assist Joint Secretary in formulation of guidelines, implementation and monitoring of above mentioned activities. An independent agency (like MANAGE) will be nominated as nodal agency and will be given the responsibility for development of detailed guidelines about method of selection of entrepreneurs, financial management and to evolve monitoring mechanisms etc. The services of the same agency/ different agency will be utilised for scrutinising the proposals and monitoring. A Deputy Secretary/ Director rank will be associated with the working of the cell and required technical and administrative manpower, financial assistance will be provided for carrying out the activities.

4) Flexi funds (20%): Support for additional income generating agribusiness models Activities

- These funds will be utilized in developing agribusiness models in project mode where in end to end solutions to the farmers i.e. from farm to market facilities are provided that will result in additional income generation to the farmers.
- States will operate the flexi funds as per their state specific

needs for taking up innovative additional income generation activities /projects like agri-tourism, bee keeping, floriculture, vegetable cultivation in permanent pandals/ polyhouses, cultivation of aromatic plants (including extraction and marketing of oils), integrated farming, multipurpose fish ponds, value addition to primary produce, precision farming etc.

- It will be made mandatory on part of the states to provide information on the market linkage for the proposed projects under the scheme.
- The beneficiaries could be individual farmers as well as FPOs. PPP mode of project implementation and contract farming will also be promoted.
- These funds can also be utilized by states for providing last mile linkages i.e. Linkages with markets wherever required, by dovetailing with ongoing schemes.

5) **Administrative costs (2%)**: Administrative costs will be increased from existing 1% to 2% for the period 2017-18 to 2019-20 at State and Central level.

2.6. **Cost Norms and Criteria for Eligibility & Allocation:**

Cost Norms: States can take up projects as per either Gol scheme norms/ state scheme norms. In absence of both these norms, 25% of the project cost is supported under RKVY for production growth (under flexi funds). In case of infrastructure projects, 50% subsidy is proposed to be provided to private individuals/ NGOs, etc. In case of beneficiaries from public sector/ semi govt/quasi govt/ cooperatives/PACS, subsidy will be 100%. Civil construction norms will be as per state PWD or CPWD norms.

Eligibility criteria for state selection and interstate fund allocation: All states will be eligible for funding under RKVY.

Criteria for interstate allocation:

- Agricultural Marketing and Farmer Friendly Reforms Index (AMFFRI-Niti Ayog)- 25%;
- Percentage of pre and post production infrastructure requirement in the state compared to total infrastructure requirement in the country (20%);
- Percentage of youth population in the state compared to total youth in the country (20%);
- States highest GSDP in the past 5 years (20%);
- Increase in expenditure in agriculture & allied sector in the previous year over the year previous to that year (15%).

Detailed guidelines for revised RKVY with proposed components will be prepared

- 2.7. **Continuation of Animal Husbandry Sector Schemes:** About 25-30% of the funds will be allocated to AH department. States should directly send their proposals to AH department and get their approvals and releases can be made from RKVY as in case of BGREI and other sub-schemes.
- 2.8. **Detailed Project Reports:** The projects for 2017-18 onwards to be submitted in the DPR format proposed by Ministry of Finance. The same has been circulated to the states. Each DPR should be prepared in a professional manner with time lines, details of scheme norms adopted, outputs, outcomes etc. states should come and present the proposals to pre-SLSC headed by Additional Secretary (RKVY) for comments before the proposals are taken up for SLSC approvals.
- 2.9. **Size of Project Proposals:** No project should be allowed to be less than Rs. 1 crores. Similarly, each project should have clear and concise proposal with estimates, and clear outputs and outcomes. No proposal would be taken up without clear cut details on estimates, scheme norms followed, period of project. Field problem solving research projects will only be allowed.

- 2.10. **Monitoring:** Quarterly progress reports on RDMIS, Geotagging of assets, monitoring by consultants, monitoring of 25% projects every year by states. Concurrent, midterm and final evaluations at central level.
- 2.11 **Financial Management:** States should adhere to guidelines regarding expenditure and submission of Utilisation certificates. Submission of project wise UCs including the state share in each case should be considered.
- 2.11. **Proposed Timelines For RKVY projects:**
- Project screening by SLPSC at state level: by end of December/ January.
 - SLSC agenda to RKVY division: 3-4th week of January. Delink Chief Secretary's approval and agenda submission to RKVY Division.
 - Pre-SLSC meeting with individual states by RKVY Division: January and February.
 - Intimation of Ministry's comments to states: February.
 - SLSC meeting: 1st -2nd week of March.
 - SLSC minutes to RKVY division: 3rd, 4th week of March.
 - Releases: April.
