

**National Mission on Edible Oils - Oil Palm**

(NMEO-OP)



**Operational Guidelines (2021-22\* to 2025-26)**  
**(\*Effective 1<sup>st</sup> November 2021)**

**Department of Agriculture & Farmers Welfare Ministry of  
Agriculture & Farmers Welfare Government of India  
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**OPERATIONAL GUIDELINES OF NATIONAL MISSION ON EDIBLE OILS-OIL PALM**  
**(NMEO-OP) (2021-22 to 2025-26)**

**1. CURRENT STATUS OF EDIBLE OIL PRODUCTION**

**1.1** India is dependent on imports to meet its edible oil requirements and is the largest importer of edible oils in the world. During 2020-21, India imported around 133.52 lakh tonnes of edible oils costing around ₹ 80,000 crore. Out of all the imported edible oils, the share of palm oil is about 56%, followed by soybean oil at 27%, and sunflower at 16%. Domestic edible oil production has not been able to keep pace with the growth in consumption which is above 25 million tonnes. The per capita consumption which was 15.8 kg per person per annum in 2012-13 has increased to around 19.00 kg at present. During 2020-21, the domestic production of edible oils was 122.89 lakh tonnes. The year wise production, import and export along with consumption of edible oils in the country is given in Table 1:

**Table 1: Year wise Production and import of edible oils during last 6 years**  
(Quantity in lakh tonnes)

Year (Nov.-Oct.)	Domestic Availability	Imports of Edible Oils	Total Availability/ Consumption	% Self sufficiency	% Share of import s	Per capita availability of Edible Oil (Kg/yr)
2015-16	86.30	148.50	234.80	36.8	63.2	19.10
2016-17	100.99	153.17	254.16	39.7	60.3	18.75
2017-18	103.80	154.00	249.72	41.6	58.4	19.30
2018-19	103.52	150.00	259.22	40.0	60.0	18.26
2019-20	106.00	144.56	250.56	42.3	57.7	18.76
2020-21	122.89	133.52	256.41	47.92	52.07	18.25

**2. OIL PALM DEVELOPMENT PROGRAMME**

**2.1** Oil Palm (*Elaeis guineensis*), which originated from West Africa is comparatively a new crop in India and has highest vegetable oil yielding capability per ha. It produces two distinct oils, i.e. palm oil and palm kernel oil, which are used for culinary as well as industrial purposes. Palm oil is derived from the fleshy mesocarp of the fruit, which contains about 45-55% of oil. Palm kernel oil, obtained from the kernel of oil palm, is the source of lauric oils. With quality planting material, irrigation and proper management, oil palm has the potential to produce 20-25 MT fresh fruit bunches (FFBs) per ha after attaining the age of 8-9 years. In comparative terms the yield of palm oil is 5 times the yield of edible oil obtainable from traditional oilseeds.

**2.2** Government of India has continuously been making efforts to increase the area production of oil palm. For increased availability of edible oils in the country and to reduce the import burden, various interventions since 1991-92 through schemes such as the Technology Mission on Oilseed & Pulses (TMOP), Integrated Scheme on Oilseeds, Pulses, Oil Palm and Maize (ISOPOM), Oil Palm Area Expansion (OPAE), National Mission on Oilseeds and Oil Palm (NMOOP) and the National Food Security Mission (NFSM)–Oilseeds & Oil Palm were under implementation in 13 States viz; Andhra Pradesh, Telangana, Chhattisgarh, Tamil Nadu, Kerala, Gujarat, Karnataka, Odisha, Mizoram, Nagaland, Assam, Arunachal Pradesh, Manipur with the funding pattern of 60:40 in case of general States and 90:10 in case of North-Eastern States and hill States.

**2.3** As a result of the developmental efforts over the years, the oil palm area which was 8585 ha in 1991-92, has increased to 3.70 lakh ha in 2020-21. Similarly, the production of Fresh Fruit Bunches (FFBs) from which oil palm is extracted, has increased from 0.21 lakh tonnes to 16.89 lakh tonnes in 2020-21. Crude Palm Oil (CPO) has increased from 0.01 lakh tonnes to 2.72 lakh tonnes during the same period.

### 3. OIL PALM GROWING STATES

3.1 Andhra Pradesh, Telangana and Kerala are the major Oil palm growing States and account for 98% of the total production. Karnataka, Tamil Nadu, Odisha, Gujarat and Mizoram also have a sizable area under Oil palm cultivation. Recently Arunachal Pradesh, Assam, Manipur and Nagaland have also initiated Oil palm plantation programmes.

3.2 Oil palm cultivation takes place in the States based on a catchment area allocated by the State Government to the Oil palm processors/industry. The prices for FFBs are either governed through the Oil Palm Acts of the State Governments, or through Regulations and Orders. The reasons behind the slow pace of development of oil palm in India are manifold, the most significant being the lack of assured price for the FFBs for the oil palm farmers and the uncertainty in the payment of price of FFBs since it is linked to the landed CPO price which is prone to major fluctuations in the payment. Further, there was no support from the Government of India for the FFB price to the farmer.

### 4. ASSESSMENT OF OIL PALM POTENTIAL AREA IN INDIA

4.1 The reassessment committee of ICAR- Indian Institute of Oil Palm Research (IOPR) 2020 has assessed in the year 2020, a total area of around 28 lakh hectares fit for oil palm cultivation in India. Out of the total 27.99 lakh ha potential area, an area of 18.37 lakh is in the general states, and 9.62 lakh in the NE States. Presently in the North East the coverage is around 38,992 hectares against the potential of 9.62 lakh hectares, leaving much scope for expansion. During 2020-21, the production of CPO was around 2.72 lakh tonnes, obtained from 1.87 lakh hectares of fruiting area.



#### Potential Area and Area Coverage under Oil Palm in India

##### Potential Area

27.99 lakh Ha.

##### Area Covered

3.50 lakh Ha.  
i.e. 13%

##### Fruiting Area

1.89 lakh ha

The state-wise potential area assessed by ICAR-IIOPR in 2020 and coverage up to March 2020 is given in **Annexure I**.

## 5. NATIONAL MISSION ON EDIBLE OILS- OIL PALM (NMEO-OP)

**5.1** Considering the growing domestic demand for edible oils, the staggering deficiency and the cost to the exchequer on account of imports, the urgency of scaling up the oil palm area is of national interest and does not need any over emphasis. Therefore, to fulfil the national interest, **National Mission on Edible Oils - Oil Palm (NMEO-OP)** has been launched with the aim to enhance the edible oilseeds production and oils availability in the country by harnessing Oil Palm area expansion, increasing CPO production and to reduce import burden on edible oils. The State Department of Agriculture, State Department of Horticulture, Central University, ICAR-Institutions, CDDs, SAUs, KVKs, Central Agencies/Cooperatives, Oil palm processors/Associations, DD Kisan etc will be the implementing stake holders of the NMEO-Oil palm.

## 6. TARGET OF NMEO-OP:

- 6.1** Around 9 million tonnes of palm oil is imported every year which is around 56 % of the total imports of edible oil.
- 6.2** The target fixed for Oil palm area expansion by 2025-26 under NMEO-Oil palm is as under:
- To increase area of oil palm to 10 lakh hectares from 3.5 lakh ha during 2019-20 by 2025-26 (additional 6.50 lakh ha). The target for general states is 3.22 lakh hectares and 3.28 lakh ha for North Eastern states, with targeted FFB production of 66.00 lakh tonnes.
  - To increase in Crude Palm Oil production from 0.27 lakh tonnes during 2019-20 to 11.20 lakh tonnes by 2025-26 and 28 lakh tonnes by 2028-29.
  - Increase consumer awareness to maintain consumption level of 19.00 kg/person/annum till 2025-26. The state wise area expansion target for General and NE states is given in **Annexure- II**

## 7. YEAR WISE OUTPUTS AND DELIVERABLES:

The year wise area expansion (lakh ha), FFBs and CPO production (lakh tonnes) by 2025-26 is given below:

Oil palm	2021-22	2022-23	2023-24	2024-25	2025-26	Total
<b>General states</b>						
Area Expansion (ha)	40000	53000	69000	78000	82000	322000
Fruiting area (ha)	182425	193748	205659	218056	258056	
FFBs production (MT tonnes)	2138738	2514680	4199529	5399582	6599559	20852090
CPO production (MT)	362953	426942	712915	915925	1119920	3538656
<b>North East states</b>						
Area Expansion ( ha)	10000	15000	126000	152000	25000	328000
Fruiting area ( ha)	17417	21333	24686	27810	22819	31783
FFBs production (MT) @ 15 T/ha	261.24	319.99	470.25	417.15	440.92	1909.55
CPO production (MT) @ 18% OER	47.00	57.55	84.53	74.95	79.29	343.32
<b>TOTAL (General &amp; NE)</b>						
Area Expansion (lakh ha)	0.50	0.68	1.95	2.30	1.07	6.50
FFBs production (lakh tonnes)	21.39	25.15	42.00	54.00	66.00	208.54
CPO production (lakh tonnes)	3.63	4.27	7.13	9.16	11.20	35.39

\* Target proposed for area expansion in provision/tentative which may increase/decrease based on the proposal for Area expansion from the State/UTs.

## 8. STRATEGY

**8.1** The strategy to implement NMEO-OP will include increasing production of seedlings by establishment of seed gardens and nurseries of oil palm to assure domestic availability of seedlings as per target fixed under NMEO-OP. Improving productivity of FFBs, increasing drip irrigation coverage under oil palm, diversification of area from low yielding cereals crops to oil palm, inter- cropping during gestation period of 4 years, would provide economic return to the farmers when there is no production.



The scheme would be implemented in a mission mode through active involvement of all the stakeholders. Fund flow would be monitored to ensure that benefit of the Mission reaches the targeted beneficiaries in time to achieve the targeted results.

## **9. FUNDING PATTERN & FUND FLOW:**

**9.1** NMEO-OP is a Centrally Sponsored Scheme and the cost will be shared as 60:40 between the Central and the State Government for General states and 90:10 for NE states and 100% for UTs and for central agencies. As per ICAR-IIOPR Report 2020, oil palm can be cultivated in 20 states covering 284 districts. All the potential states and districts identified by ICAR- IIOPR will be under NMEO-OP including NE states and Andaman and Nicobar Islands. Further, if States identify other districts suitable for cultivation, they will also be considered.

**9.1.2** However, the potential districts having more than 4000 to 5000 ha will be given special focus for oil palm area expansion and productivity enhancement of FFBs. The State Governments will develop long term agreement between farmers, processors and states through the Oil Palm Act or any other mechanism prevalent in the state. They will also involve industries, ICAR, KVKs in the formulation, prioritization of activities & identification of beneficiaries at grass root level and ensure involvement of Panchayati Raj Institutions (PRI) . The assistance will be provided for water harvesting & irrigation through PRI and the details of assistance is given as **Annexure-III**.

**9.2** The Department of Agriculture/Horticulture of the State Governments will be the Nodal agency for undertaking area expansion programme of Oil Palm in their States under NMEO-OP with close partnership with Processors. The funding pattern is 60:40 in case of general category States and 90:10 in case of North-Eastern states between Central and State Governments in all components except R&D projects, seed gardens, nurseries and viability gap payment (100% GOI share). ICAR, CDDs/CAU/SAU will be associated on 100% funding basis. The allocation of funds to the States would be made on the basis of their Annual Action Plan (AAP). For UTs it will be 100% funding for all components.

**9.3** The states will involve processors/associations as per tripartite agreement for the implementation of the oil palm scheme in the state. The processors are also eligible for setting up of seed gardens and nurseries, distribution of planting material etc. The processors will submit their oil palm area expansion target and component wise AAP to the State for its inclusion in the AAP of the state, approved by SLSC.

**9.4** The states will nominate Mission Directors of NMEO-OP under the Chairmanship of Secretary Agriculture/ Horticulture. The annual action plan of NMEO-OP of each state has to be approved by State Level Sanctioning Committee (SLSC) headed by the Chief Secretary.

**9.5** The funds will be released to the State Departments of Agriculture/Horticulture through their respective State Governments. DBT will be used for transfer of funds to the State /Agencies/ Farmers/Processors/SAUs. The private sector and NGOs could be involved through the State Department of Agriculture, Horticulture & ICAR.

**9.5.1** The Government of India will release the funds to the agencies for the 100% funded components/activities at Central level. The oil palm development programme of NFSM (OP) along with committed liability of the approved programme of 2020-21 and 2021-22 will be subsumed under the NMEO-OP. No permanent posts will be created by the Central or the

State Governments under NMEO- OP.

**9.6** Release of Central and States' share for this scheme will be through **an escrow account** mechanism. Both the GoI and State share of funds shall be transferred to the escrow account. The Secretary, Department of Agriculture & Farmers Welfare would be authorized to release up to two instalments of 25% each to States without insisting on release of State's share. A Tripartite Agreement between Centre, State and the Bank would be signed for this purpose Annexure-XIV

**9.7** Majority of the interventions of NMEO-OP are beneficiary oriented. The resources for Schedule Caste (17%) and Schedule Tribe (8%) will be earmarked for utilization under all the components of NMEO. However, states will be allowed to make allocation to SC/ST farmers proportionate to their population in the States/Districts. In addition, adoption of cluster approach is advocated for ensuring the participation of all farmers belonging to small/marginal, SC/ST/Minority/Women categories in a cluster. No area restriction is applicable for individual farmers for availing subsidy/ intervention.

## **10. NMEO-OP STRUCTURE**

**10.1** The progress in the implementation of NMEO-OP will be monitored by **General Council (GC)** and **Executive Council (EC)** at national level and **State Level Sanctioning Committee (SLSC)** at state level as given below:

**10.2** A **National level General Council (GC)** will be constituted for suitable directives and guidance for each component chaired by Hon'ble Minister of Agriculture and Farmers Welfare, MoA&FW along with all members from stake holders. Joint Secretary (OS), DA&FW will act as Member Secretary of the GC. The GC is empowered to lay down and amend the operational guidelines, change the components/ intervention as per the requirement inclusion of new components, decide need-based reallocation of resources across the states and districts and approve projects as per requirement for all components of NMEO-OP. The composition of NMEO-OP GC will be as under. The GC will meet at least twice a year:-

<b>Minister of Agriculture and Farmers Welfare</b>	<b>Chairperson</b>
Secretary DA&FW	Member
Secretary (DARE) & DG (ICAR)	Member
Secretary, Department of Expenditure	Member
Secretary, Department of Commerce	Member
Secretary, DoNER	Member
Secretary, Department of Consumer Affairs	Member
Secretary, Department of Information & Broadcasting	Member
Secretary, Department of Food and Public Distribution	Member
Secretary, Department of Food Processing	Member
Secretary, Department of Rural Development	Member
Secretary, Department of Panchayati Raj	Member
Secretary, Department of Water Resources	Member
Additional Secretary and Financial Advisor, DA&FW	Member
Additional Secretary & Chairman of Viability Gap Payment Committee	Member
CEO, NRAA	Member
Adviser (Agriculture), NITI Aayog	Member
Agriculture Commissioner, DA&FW	Member
Advisor, Trade, DA&FW	Member
Joint Secretary, Marketing	Member

Joint Secretary, Extension	Member
Joint Secretary, Digital	Member
Advisor, (DES)	Member
<b>Joint Secretary (Oilseeds), Mission Director</b>	<b>Member Secretary</b>

**10.3 A National level Executive Committee (EC)** will be constituted under the Chairmanship of Secretary (A&FW) to oversee activities of NMEO-OP and to approve the Annual Action Plans (AAP) of the states and implementing Agencies. Joint Secretary (Oilseeds) will be the Member Secretary of EC. The EC will be empowered to decide need-based allocation/re-allocation of resources/ fund within the component/ inter-component or vis across States/Implementing Agencies. The Chairman may nominate additional members to the Committee as per the requirement. The JS/ Member Secretary, however, approve inter-component /inter-se diversion/changes in the approved AAP within the overall target out lay of the year. The Chairman, EC would be empowered to take decisions on file subject to ratification by the Committee. The NMEO- Oil Palm EC will meet once in every quarter. The Chairman of the Executive Committee may include any other member/ experts in addition to members tabulated below. The composition of the Execution Committee will be as under:

<b>Secretary (DA&amp;FW)</b>	<b>Chairperson</b>
Additional Secretary & Financial Advisor (DA&FW)	Member
Additional Secretary & Chairman of Viability Price Fixation Committee	Member
Agriculture Commissioner, DA&FW	Member
Joint Secretary Marketing	Member
Joint Secretary Food Processing	Member
Joint Secretary Rural Development	Member
Joint Secretary Commerce	Member
Joint Secretary Panchayati Raj	Member
Joint Secretary, Seeds, DA&FW	Member
Advisor, Trade, DA&FW	Member
Horticulture Commissioner, DA&FW	Member
DDG (Hort.) ICAR	Member
Director, Institute of Oil Palm Research, ICAR	Member
Oilpalm Processors (any two on rotational basis viz. Ruchi Soya, Godrej Agrovet, 3F Oil palm Ltd Limited, and others)	Member
President , Oil Palm Development Association, Hyderabad	Member
Director, Doordarshan & DD Kisan	Member
Representative of MCX	Member
VC, CAU, Imphal	Member
Central agencies for Oilpalm FPO (any one on rotational basis)	Member
Six representatives from states on rotation basis (3from GS and 3 from NER)	Member
<b>Joint Secretary (Oilseeds), DA&amp;FW Mission Director</b>	<b>Member Secretary</b>

*\*Nominee not less than the rank of Director*

**10.4 State Level Standing Committee (SLSC)** will be constituted by the State Government under the Chairmanship of the Chief Secretary to oversee the activities of the mission in the state and will be empowered to approve the Annual Action Plan of NMEO-OP of the state. Agriculture Production Commissioner/Principal Secretary/Secretary (Agriculture/Horticulture) of the State will act as Member Secretary of the SLSC to decide the priorities, to consider AAPs and review of their progress of each component in the

respective States. The State Government could involve the officials of various line Departments /Ministries and stake holders. A State Mission Director will be designated by the State Governments. The State Mission Director should at least be an officer of the level of Commissioner/Director of the Department of Agriculture/ Horticulture. The State Government will constitute a Project Management Team (PMT) at District Level for smooth implementation & monitoring of the various activities of NMEO- OP.

<b>Chief Secretary of the respective state</b>	<b>Chairperson</b>
Principal Secretary, Finance	Member
Principal Secretary , Irrigation	Member
Principal Secretary, Road & transport	Member
Principal Secretary, Cooperation	Member
Principal Secretary, Industry	Member
Principal Secretary, Panchayati Raj	Member
Director of Agriculture/Horticulture	Member
Vice chancellor of SAUs	Member
Representative of ICAR Institutions	Member
Representative of processors	Member
Representative of Oilpalm Associations/ Farmers Associations	Member
Nominee from DA&FW and Director of CDDs of respective state	Member
<b>Principal Secretary Agriculture/ Horticulture Mission Director</b>	<b>Member Secretary</b>

## **11. ROLE OF PANCHAYATI RAJ INSTITUTIONS:**

**11.1** The State Governments may develop a sound mechanism for involvement of PRIs in the formulation, prioritization of activities & identification of beneficiaries at grass root level and ensure involvement of NGOs, Self Help Groups and Private companies for the following activities:

- Selection of beneficiary for oil palm plantation
- Identification and mapping of priority areas / activity mapping for the implementation of Mission interventions
- Capacity Building of PRI Officials
- Implementation of Local Initiatives in the identified districts.
- Liaising with processors, state officials and SAUs
- Involving NGOs/SHGs/Private companies (Active/renowned)
- Member of the district level officers from cooperative

**11.2** Gazette Notification for implementation of **Direct Benefit Transfer (DBT)** will be notified for NMEO-Oil palm. The DBT would be implemented to transfer NMEO-oil palm funds for identified interventions to all beneficiaries. The details of data bank related to beneficiaries would be uploaded to MIS of respective portals. The states and central agencies are therefore liable to make the beneficiaries entries in the National DBT portal of DA&FW.

## **12. AREA OF OPERATION:**

**12.1** NMEO-OP will be implemented in the various States as per recommendation of IOPR Report or State recommendation. NMEO-GC headed by Hon'ble Agriculture Minister would be

empowered for inclusion of additional potential States/districts with consultation of ICAR/ IOPR in addition to the identified areas as per the Report of IOPR, 2020. For NMEO- OP: Potential states and districts are of Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Maharashtra, Madhya Pradesh, Mizoram, Karnataka, Kerala, Odisha, Tamil Nadu, Telangana, Arunachal Pradesh, Assam, Bihar, Manipur, Meghalaya, Nagaland, Tripura, Uttar Pradesh, West Bengal and Andaman & Nicobar islands.

### **13. MONITORING, REPORTING & EVALUATION:**

**13.1 Monitoring :** National Level Monitoring Teams (NALMOTs) comprising of the technical officers from Department/Crop Development Directorates (CDDs), States Departments of Agriculture/Horticulture & the scientists of ICAR/SAUs including retired scientists with specialization in the crops concerned will be constituted under the Mission for field monitoring of the Mission activities by DA&FW. The progress of implementation would also be reviewed by the senior officers of the Department during their visits to the states concerned. The overall progress of implementation would be reviewed regularly by the Executive Committee (EC), and General Council (GC) of the Mission would be apprised of the consolidated outcome of monitoring activities for taking necessary corrective measures, if any. The States would constitute State Level Monitoring Team (SALMOT) at State level and Project Management Team (PMT) at district level. The Technical Support Groups would be actively involved in monitoring activities both at National & States level. Information Communication Technology (ICTs) tools like, mobile App, Video Conferences would also be utilized for facilitating interactions on implementation & monitoring, reporting and evaluation. Specialized software for the reporting, monitoring and evaluation reflecting the details of benefit extended to the individual beneficiaries will be developed through NIC. Updation of records/progress is the responsibility of the state government and the state will develop systems for seamless transfer of data to the Central Government on a monthly basis.

**13.2** The concurrent, mid-term after 24-30 months and plan end (2025-26) impact evaluation of the Mission will be undertaken at National level through e-procurement and e-tendering as per GFR guidelines. An evaluation will also be undertaken during the third year of the implementation to assess the impact of NMEO-OP. Besides the State Government would also undertake concurrent & impact assessment on a year to year basis. A district wise baseline survey will be conducted by the Joint committee of State Department of Economic & Statistics, Department of Agriculture/Horticulture & Department of Revenue at the ground level to ascertain the target area, and existing productivity level of oil palm prior to inception to NMEO-Oil palm. This will be conducted by the State Mission Director at farmer's fields.

**13.3 Reporting System:** Separate websites and information technology tools developed in collaboration with NIC will be used for monitoring and evaluation of the mission. States and implementing agencies will compile & furnish the physical and financial status on implementation of the Mission through a Web-enabled Monitoring System. The State Mission Director will be responsible for reporting the progress of implementation of the Mission and will update the progress each month. The Central Government too will operate a separate website for the purpose in which seamless flow of data will flow from the states.

**13.4** The States will be allowed to dovetail the resources with other programmes of GoI, wherever required to supplement the efforts of NMEO-OP. Complementary support / services

extended under the existing schemes of DA&FW such as RKVY, PMKSY, SMAM, MIDH will be dovetailed with the approved programme through a mechanism of inter-division consultations at different levels viz GOI, State Government and Districts to ensure delivery of comprehensive package of services without duplication to meet the desired targets of NMEO-OP. There will be convergence with Ministry of Rural Development and Panchayati Raj at the National level.

**13.5** Under NMEO-OP, flexibility will be given to the States for inter component diversion of funds up to 10% except seedlings, intercropping and maintenance components. Inter Component changes in the approved AAPs of the states under NMEO-OP can only be allowed with the approval of NMEO-OP-EC. Small, marginal, SC/ST and women farmers involved in cultivation of Oil Palm will be given priority for providing benefits and support under Mission.

**13.6** The States will be allowed to cover local initiatives which may be crucial and not covered as an intervention under NMEO-OP. The State may include such interventions with subsidy not more than 50% of the cost of the item/services. The format for monthly, quarterly and yearly progress report along with the submission of Annual Action Plan is annexed (**Annexure IVa&b and Annexure V**)..

## **14. INTERVENTIONS OF NMEO – OP**

**14.1** The present guidelines are applicable to NMEO- OP for its implementation from 2021-22 to 2025- 26, but will be subject to corrections after review of scheme as mentioned above. The NMEO-OP will cover all aspects of oil palm promotion having long term agreement with Farmers, Processors, States, Plantation & re-plantation support, FFBs price fixation, payment of viability gap of FFBs to the farmers, special package for NorthEast states *etc.* On the basis of the current needs, the various components of existing NFSM (OP) have been modified with increased assistance. The details of pattern of assistance under NMEO- OP is given in **Annexure-VI**.

## **15. SUPPLY OF PLANTING MATERIAL**

**15.1** Quality of planting materials coupled with proper management practices used greatly determines the enhanced productivity and higher production of FFBs. Assistance will be provided to the farmers through the State Department of Agriculture/Horticulture/ Oil palm processors for purchasing of planting material @ Rs. 20,000/ha for domestic seedlings and Rs. 29,000/ha for imported seedlings (at the rate of 150 plants per ha) for the entire land holding and planting area of the farmer. The performance of seed gardens & seed museums will be reviewed periodically by the Oilseeds Division of DA&FW. The assistance for imported sprouted seed/ planting material involves following expenses:

- **Non recurring expenses:** Sprout cost, Sprout transport & handling charges, Poly bag, Red Earth, Sand, FYM, Neem cake, Layout & bag filling, Nursery Establishment, *etc.*
- **Recurring expenses:** Fertilizers, Pesticides, Electricity, Diesel, Repair & Maintenance Labour. Overheads and administrative expenses, *etc.*

**15.2** The planting material is more crucial in oil palm as the crop is perennial giving economic yields up to nearly 30 years. The base mother palms are from Thodupuzha in Kerala which are moderate yielders in terms of Fresh Fruit Bunch (FFBs). Selection was done for mother palms

having high FFB yield combined with more oil in mesocarp of the fruit, i.e., higher oil yield. Through repeated crossing and selection for a period of three decades, India has achieved a stage of third generation material with 15-20% improvement in FFB yield, and 5-6 tonnes of oil/ha/year.

**15.3** Government of India has taken an ambitious target to cover 6.5 lakh ha in next 5 years from current area for which huge quantities of seedlings are required. As per the target, total seedlings requirement could be 975 lakh numbers in the next 5 years. The permission of import of germinated seed/ seedling/planting material could be allowed with NOC for non availability of domestically produced sprouted seed/planting material from IOPR or concerned State Govt. Import of Oil Palm sprouts take 7 months from placing of order and 12 months for quarantine. The sprouts are placed in a primary nursery for 3 months and a secondary nursery for 9 months to attain 3- 4 leaf stage. Therefore, the import of seedlings should be linked with actual plantation. The respective State Government may identify the districts wise 5 year advance area coverage planning for planning the year wise requirement of Oil Palm seedlings. A monitoring mechanism needs to be developed to monitor the permission granted for import and actual imported seedlings by the processor/State govt. The domestically produced seedling needs to be increased periodically and reduce imported seedling in phase manner. The requirement of seedling as per the provisional target of year wise/ state wise is tabulated below. However, year wise seed requirement may vary from year to year depending on the proposal for area expansion received from the States and approval granted by the competent authority.

The Plant Protection Division, DA&FW will be responsible for checking the quarantine requirements etc. necessary for the imported material.

#### **Requirement of Oil Palm seedling by 2025-26**

<b>States</b>	<b>Approximately requirement of seedlings as per target (lakh no.) @ 150 seedlings/ha</b>					
	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>Total</b>
Rest of India (RoI)	60	79.5	103.5	117	123	483
NE states	15	22.5	189	228	37.5	492
<b>Total*</b>	<b>75</b>	<b>102</b>	<b>292.5</b>	<b>345</b>	<b>160.5</b>	<b>975</b>

\* Importer of the sprouted seed/ planting material of Oil Palm will be held responsible to execute permission granted for import timely of sprouted seed/planting material and ensure that all regulatory norms are adhered.

## **16. MAINTENANCE AND INTERCROPPING DURING GESTATION PERIOD**

**16.1** Support will be provided to the farmers for inputs of inter-crops and the concept of integrated farming will be incorporated during gestation period for entire land holding / plantation area for purchase of seeds/ fertilizers/ INM/ IPM/ fertigation/ tree guards and PP chemicals etc. During gestation period of 4 years, assistance for maintenance to the farmers will be given @ 50% of the cost limited to Rs. 50,000/ha (Rs. 6,250/ha per year for Maintenance and Rs. 6,250/ha per year for Inter-cropping) in NE/A& N Islands & Rs. 42,000/ha (Rs. 5,250/ha per year for Maintenance and Rs. 5,250/ha per year for Inter-cropping) for General States. The cost of maintenance & intercropping involves the following items:



- **Fertilizers, Organic Manure & Pesticide:** Fertilizers, Fertilizer application, OrganicManure, Manure application, Plant Protection, PP application, *etc.*
- **Other inputs :** Land preparation, Layout, pitting, planting, Basin preparation, Weed management, Repair & maintenance and Misc. expenses, *etc.*

**16.2** Oil Palm starts producing Fresh Fruit Bunches (FFBs) after 3-4 years of its plantation and therefore, it becomes essential to maintain the plantation for 4 years through irrigation, fertilizer, intercultural operations, insect pest control, basin making, fencing *etc.* Growing of intercrops in oil palm such as cocoa, red ginger, heliconia, bush pepper, banana and ornamental crops would support the farmers during the initial non productive period of 4 years. This along with integrated farming should be converged.

## **17. ESTABLISHMENT OF SEED GARDENS AND SEED NURSERIES**

### **17.1 Seed Garden:**

**17.1.1** Assistance will be provided for setting up of new oil palm seed garden under NMEO-OP on 100% funding basis by Government of India to the State Governments, FPOs Cooperatives, ICAR and processors, NGOs, start-up companies, *etc.* through the State. One-time assistance as subsidy for necessary infrastructure & setting up of new seed garden for a capacity 10.00 lakh seedlings per year and having at least 15 ha area will be provided. All the stake holders will also be provided revolving fund for import of sprouts, packing/levelling & accreditation of the garden *etc.* The assistance for RoI states will be Rs 40.00 lakh as one time grant and Rs. 40.00 lakh for revolving fund with a breakup of Rs. 20.00 lakh in the first year and Rs. 20.00 lakh in the 2<sup>nd</sup> year to sustain the seed garden. Similarly, the assistance for NE states will be Rs 50.00 lakh as one time grant and Rs. 50.00 lakh for revolving fund with a breakup of Rs. 25.00 lakh in the first year and Rs. 25.00 lakh in the 2<sup>nd</sup> year to sustain the seed garden.

<b>One time grant (Rs in lakh/garden)</b>	<b>Revolving fund (Rs. In lakh)</b>
40.00 for General states (RoI)	40.00 in two installments
50.00 for NE states and UTs	50.00 in two installments

2<sup>nd</sup> installment will be released only after satisfactory utilization of funds. State Govt. may ensure flow of fund as per provision & satisfactory performance.

**17.1.2** Young entrepreneurs/start ups, NGOs, SHGs and Private companies having strong background & experience in agriculture/horticulture will be eligible for promotion and production of quality seedling. To increase production of indigenous planting material, establishment of Oil Palm seed garden in the country with enhanced cost norms is supported under NMEO-OP. To strengthen indigenous Oil Palm seed production, the following initiatives can be taken;

- (i) Availability of 3<sup>rd</sup>/ 4<sup>th</sup> generation mother palms with capacity to produce more than 30-40 tonne FFBs/ha/year
- (ii) Low cost production strategy
- (iii) Strengthen well acclimatized and suitable for irrigated conditions
- (iv) Planting material with slow vertical growth with high water use efficiency

**For quality checks of indigenously produced seed production, following checks are required to be observed:**

- (i) Continuous quality checks during seed production procedure are mandatory with the technical support from the ICAR-IIOPR along with supply of mother palm.
- (ii) Sprouted seed must be tested by Molecular marker developed by IIOPR for fruit type identification at seedling stage randomly upto 1% of population to avoid admixture of Dura of hybrid seed supplied to farmers.

The agency wise expected availability of seedlings both from domestic and import over the years is given in **Annexure-VII**. Operational issues of the seed garden and seed nursery will be finalized separately on the basis of technical backup/inputs received from IIOPR/ ICAR/SAUs/State Govts/Processors *etc.* The provisional outline of seed garden is given at **Annexure-VIII**

**17.1.3** The State Governments may also setup/ start joint venture/lease out seed gardens to processors, farmers' Self Help Groups/FIGs/ Women Group/NGOs/Cooperative Societies/FPOs through State Government within the State AAP. The assistance for Seed Gardens involves following expenses such as Land lease, Land development, Drip irrigation infrastructure, Bore well & pump sets *etc.*, Transformer and Electrical appliances, Buildings and germination chamber, Laboratory, Fencing & Civil works, Security, Miscellaneous. For any other expenditure required, approval may be obtained from the Oilseeds Division, DA&FW.

**17.2 Establishment of Seed Nurseries:** The provision of funding on 100% basis for establishment of seed nursery of 10 ha size has been made for raising seed nursery to the cost of Rs 40 lakhs for RoI, and Rs 50 lakh for NE states and UTs through farmers association, cooperatives, NGOs, SHGs, private companies, *etc.* The proposal should be routed and approved through State Govt. The State Govt. should release funds in two installments on satisfactory performance.

**17.2.1** The germinated seeds are planted in the nursery and maintained by entrepreneurs for 12 months in two stages (primary and secondary) and then they are planted in the main field (farmer's field). The seed nursery owner is responsible for keeping the seedlings in the net house and its maintenance as per standard defined by IIOPR/ICAR/SAUs and follow the cost norms to produce quality seedlings to compete with the imported seedlings in due course. Random checks in all the oil palm nurseries will be carried out by the GoI as well as the State Govt.

**17.2.2** Activities for quality production of seedling under nursery include land lease, Shade net and infrastructure (primary nursery), drip irrigation system installation, installation of mainline from bore wells to main nursery, overhead irrigation system, Others (bore well, Power & Water connections), pond excavation with HDPE line (500micron), Bore well motor, pump set *etc.*, trenching and land preparation, fencing, plant quarantine and compliances, transformer and electrical appliances, Security, Miscellaneous. For any other expenditure required, approval may be obtained from Oilseed Division, DA&FW. The provisional outline for establishment of seed nursery is given at **Annexure-IX**.

## **18. DRIP IRRIGATION**

**18.1** Drip irrigation support will be given to the oil palm growers under NMEO-Oil Palm

for installing micro irrigation system as **Per Drop More Crop micro irrigation component of PMKSY operational guidelines**. The technical details and cost of installation for different crop spacing given in the operational guideline of **PMKSY** should be adhered. Drip irrigation system in states with low penetration and drip irrigation system for NE states would be implemented as per the norms of **PMKSY**. The specification for drip irrigation should be applicable as per **PMKSY** norms.

**18.2** It is proposed to cover 50% of the approved targeted area (6.50 lakh ha) to be brought under drip irrigation for which assistance will be as per **PMKSY** norms. The tentative year-wise target to be covered under drip irrigation is given below:-

<b>Drip irrigation</b>	<b>2021-22</b>	<b>2020-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>Total</b>
Target area (lakh ha)	<b>0.25</b>	<b>0.50</b>	<b>0.75</b>	<b>0.7</b>	<b>0.75</b>	<b>3.25</b>
General states	0.187	0.40	0.577	0.575	0.56	2.50
NE states	0.06	0.10	0.175	0.175	0.187	0.75

These targets are provisional subject to change with the demand from the State Govt as per their requirement.

## **19. BORE WELL, PUMP SETS, WATER HARVESTING STRUCTURE, VERMI COMPOST UNIT**

**19.1 Pump set:** Oil Palm growers to take up 2 ha or more area under Oil Palm plantation will be provided assistance for pump sets as per the norms of Sub-Mission on Agriculture Mechanization (**SMAM/MIDH**) for (diesel/electric/petrol) Solar pumps will also be encouraged as per norms of **PM-KUSUM**. The distribution of pump set could be in addition to the drip irrigation. These cost norms are provisional subject to change in norms of the respective schemes/programmes such as **SMAM/MIDH/PM-KUSUM**.

**19.2 Water harvesting structure:** The assistance of water harvesting structure/ Ponds/ tanks will be as per **MIDH** guidelines and convergence of other schemes of Government of India should be explored. The cost norms are subject to change as per respective programmes/schemes.

**19.3 Bore wells:** The assistance for construction of bore wells/ tube wells @ 50% limited to Rs. 50000/unit would be admissible, subject to condition that these are not installed in critical, semi critical and water exploited ground water zones.

**19.4 Vermicompost support** will be available @50% of the cost limited to Rs. 15000/ vermicompost unit with a size of 15m length, 0.9m width and 0.24 m depth at oil palm field/garden of the farmers.

## **20. MACHINERY/ HARVESTING TOOLS**

**20.1** FFBs of oil palm is a perishable item and Harvesting of FFBs need special tools, machinery and skilled labor. The modern tools available are costly. Therefore, the assistance for harvesting tools like cutter, wire mesh, motorized chisel, portable ladder/poles, chaff cutter, tractor & trolley etc have been revised. Items included in **SMAM** are also eligible for assistance.

**20.2** The States may also support Farmer's Association/NGOs/Self Help Groups/Farmers Groups/ Women Groups/Cooperative Societies/FPOs for this component under **AAP**. Support will be provided for equipments/tools up to 50% of the cost and/or up to the

amount, for equipments/tools:

- (i) Manually handled/high reach oil palm cutter –Rs 2500 per unit
- (ii) Oil Palm protective wire mesh-Rs 20,000 per unit
- (iii) Motorized Chisel – Rs 15,000 per unit
- (iv) Aluminium Portable ladder – Rs 5000 per unit
- (v) Chaff cutter for chaffing of oil palm leaves– Rs. 50000/- per unit
- (vi) Tractor up to 20 HP with trolley as per SMAM guidelines and any other machinery recommended by ICAR/SAUs, which is useful to the oil palm growers could be included under local initiatives covered under flexi fund.
- (vii) Import of machinery viz; mechanical sprayer for young oil palm fields, mechanical oil palm harvesting machine, compact FFBs transporter/sprayers *etc.* with specific approval of DA&FW is permitted.

## **21. CUSTOM HIRING CENTRE CUM HARVESTER GROUPS**

**21.1** Custom hiring centres cum FFBs harvester group by processors/State/SHGs/FPOs/Registered societies will be created in each states. Interested persons will form a group consisting of 20 persons as Self Help Group / Association / Registered society / group etc. Farmers will inform their requirement for harvesting FFBs from their oil palm plantations. One time grant for Rs.25.00 lakh per unit for equipments, tools, training, contingencies, maintenance etc. will be given. One HG will cover 500 hectares.

**21.2** Oil palm crop comes to production during 4<sup>th</sup> year and continues till 25-30 years. Nearly 25- 30% of cost is involved for harvesting. Harvesting of bunches is a skill oriented job. Harvesting involves cutting of leaves and bunches from different age, height palms, either with chisel (used for harvesting of bunches from small palms) or sickle attached to aluminium pole (used for harvesting bunches from tall palms) extendable up to a height of 35±10 ft. Harvesting of Fresh Fruit Bunches (FFB) should be done in a specific time immediately after ripening of bunches and sent to the processing factory.

**21.3** Custom Hiring Centre for oil palm harvesters will render their services in particular zone/Block/Village panchayat based on notified area of oil palm plantation. Farmers will inform their requirement for harvesting FFBs from their oil palm plantations well in advance to reduce wastage.

## **22. OILPALM PROCESSING MILLS IN NE STATES**

**22.1** FFBs are highly perishable in nature and therefore, require crushing within 24 hrs of harvesting. Therefore, creation of processing units is a pre-requisite for under taking area expansion of oil palm. In order to provide a complete package for oilpalm development, new mills will be setup in NE states @ 50% of the cost limited to Rs. 500.00 lakhs for a FFB processing unit of 5 MT/hr for newly planted oil palm area. The assistance will be given to processors, Cooperatives, Federations, Government recognised farmer associations, state Government Agencies through State Government. The assistance on setting up of FFBs processing unit will increase, proportionately for additional capacity of processing/hours. The land for mills will be provided by the State Govt to the processor on

lease/rent/purchase basis. Provision of assistance for Oilpalm Processing Mills is confined to NE States/UTs only.

### 23. SPECIAL PACKAGE FOR North Eastern States

The North East States though have ample scope of oil palm area expansion. However the high terrain and different agro- climatic situations need additional investment for oilpalm cultivation. Therefore, the following special package of oil palm in NE states is to be provided.

- i) 50% of the actual cost and 20% of total outlay on Oil Palm for roads from field to nearest FFB collection/ processing centre.
- ii) Assistance for clearance of land before oil palm plantation (Rs.3000/- per ha)
- iii) Half-moon terrace (Rs.4000/- per ha)
- iv) Bio fencing with bamboo and other means in oil palm field by way of suitable fencing (Rs.4000/-per ha).
- v) Integrated farming system @ Rs. 10000 per ha. for back yard poultry, animal, fodders, kitchen gardening *etc.*

### 24. TRAINING OF FARMERS AND OFFICERS

**24.1 Farmers Training:** As per the norms of NMEO-Oilpalm, support @ Rs. 30000/training for a batch of 30 farmers for 2 days will be provided to organize the trainings to the farmers. The breakup of expenditure on farmers' training is as under:

Components	Rate	Amount (Rs.)
Training material/stationery/venue cost/ Audio-visual aids <i>etc.</i>	Rs. 3000/- per training (maximum)	3000.00
Dormitory/Travel/Transport field visit <i>etc.</i>	Rs.5000/- per training (maximum)	5000.00
2 Meals /Refreshment for farmers	Rs.316.5/day X 30 farmers X 2 days	19000.00
Honorarium to SMS/ Scientist <i>etc.</i>	Rs.500/lecture X 6 Lectures in two days (maximum)	3000.00
<b>TOTAL</b>		<b>30000.00</b>

Farmers training preferably is required to be organized before the peak season the planting or at the time of fruiting.

**24.2 Officers Training:** The extension officers, field workers in the processing mills, technical persons and other field functionaries are first source of information to the farmers. The extension officials and representative of processors need to be trained and made aware of the new technologies and developments in oil palm cultivation so that they communicate the same to the farmers. Support will be provided @ Rs. 40000/- per training for a batch of 20 participants of extension officials and input dealers for organizing orientation/refresher training. ICAR-IIOPR will also organize such trainings subject to inclusion in the FLD Annual Action Plan. Scientist /expert of this field from Govt./SAUs/KVKs/ retired Scientists/experts are eligible for honorarium. No TA/DA will be given for attending training of working scientist/experts.

Components	Rate	Amount (Rs.)
Training material/stationery/venue	Rs. 5000/- per training	5000.00

cost/ Audio-visual aids etc		
Lodging/Travel/Transport/Visits etc	Rs.17000/- per training	17000.00
Honorarium to Trainer/Scientist	Rs.500/lecture X 8 Lectures in two days	4000.00
2 Meals /Refreshment for officers/extension workers	@Rs.350/day X 20 officers/extension workers X 2 days	14000.00
<b>TOTAL</b>	<b>40000.00</b>	

## 25. REPLANTING OF OLD GARDEN

Oil palm has an economic life span of around 30 years. The plantations made during 1991-92 have become more than 30 years old which need immediate replanting. Similarly, every year old plantation of 25- 30 years need to be replanted to maintain the overall planting area. Replanting involves uprooting of tree, removing of tree from the field and digging of new pits, all of which are labor consuming activities. A new component of Rs. 250 per plant assistance has been provided for the purpose. The assistance for planting materials for replanting may be obtained separately in addition to the planting material components.

## 26. RESEARCH & DEVELOPMENT (R&D) SCHEMES

**26.1** Need based 100% support will be given for new R&D schemes of CAU/ICAR-IIOPR/SAUs, Central Agency, NGOs Registered Societies. Registered Societies/ NGOs/SHGs must have experience of 10-15 years of the field of Agriculture/Horticulture/plantations etc. Financial support will also be provided for need based, time bound target oriented research projects to bring break through yield improvement of oil palm. Besides, funds will also be provided for import of germplasm, and maintenance of existing seed gardens of oil palm, demonstration fields, inter-cropping, Kisan Mela, Seminar, Workshop, Exhibition, Consumer awareness, Oil palm promotion campaign Doordarshan programmes, All India Radio, *etc.*

**26.2 Conducting Oil Palm Meet/Conference at National Level:** To assess the demand of the oil palm germinated seed from indigenous sources, preparation of supply schedule for ensuing season/years from various seed gardens and quality related issues needs to be addressed. The meet shall be attended by the all concerned stake holders such as DA&FW, State Govt. officials, owners of the seed garden/ seed nursery, entrepreneurs, processors and scientists from IIOPR/ICAR/SAUs, *etc.* to discuss area expansion, quality check parameters and problems related to planting material, *etc.* Expenses for this account will be met from OE/OAE.

## 27. FLEXI FUND

State Govt. may include such activities under Flexi Fund which are not covered as an intervention under the programme NMEO Oil palm within 10% of total allocation under Oil palm. The activities under Flexi Fund may cover the following:

- Essential activities required for improving oil palm area and production of FFBs *viz*; transport cost of seedling of oil palm, assistance for harvesting of FFBs from tall palm tree, ring well, FFBs transportation charges from field to processing mills *etc.* with prior permission of DA&FW.
- Support for publicity programme by the implementing States on Oil Palm under NMEO-Oil Palm.
- Support for organizing exposure visits (inter and intra state) of farmers and/or officers and for organizing Seminar/Conference/Workshop, awareness campaign *etc.*

by the implementing states/ processors on oil palm crop & its technologies and support to states for use of ICT.

- iv. Concurrent/Mid Term and end of the Mission evaluation and miscellaneous expenses of NMEO-Oil Palm components by an independent agency.
- v. Any other interventions in the state as state specific local initiative which may be crucial for effective implementation & adoption of best practices in increasing production and productivity of palm oil and to encourage farmers to grow oil palm crop under the programme, but not covered as an intervention. Pro-forma for submission of Annual Action Plan is at **Annexure-IV a&b** and submission of Monthly/Quarterly progress report is at **Annexure-V**.

## **28 PROGRAMME MANAGEMENT EXPENSES (PME):**

### **28.1 Programme Management Expenses (PME)/Technical Support Group (TSG) at National Level:**

Up to 1% of the funds allocated under NMEO- Oil Palm will be earmarked at national level to meet the contingency expenditure including engagement of contractual manpower for monitoring of implementation of the Mission. Under NMEO- Oil Palm the provision for Technical Support Group (TSG), comprising 2 National Consultants, 3 Young Professionals, 5 Data Entry Operators (DEOs) and 5 MTS on contractual basis will be engaged for the next three years. The basic qualification, experience, honorarium of consultant, Young Professionals/DEO/MTS is given at **Annexure-X**.

At National Level Technical Support Group (TSG) of contractual staff will be engaged under NMEO-OP as per table given below:

**Approved Contractual Staff at National Level**

<b>Post</b>	<b>Rate of Honorarium (Rs. per months)</b>	<b>Number</b>
National Consultant (One for NER & one for RoI)	90000	2
Young Professionals (one IT background & remaining from Agriculture/Agri-Business Management)	60000	1+2=3
Data Entry Operator (DEO)	30000	5
Multi Tasking Service (MTS)	22000	5

- As per the existing pattern of support to CDDs for outsourcing PMU, each CDD can outsource one Consultant, two Technical Assistants and one DEO/Stenographer with honorarium at par to state level PMU.

### **28.2 Programme Management Team (PMT)/Technical Support Group (TSG) at State Level:**

PMT at state Level upto 3% of total allocation under NMEO-Oil Palm will be provided for engaging state/district level consultant/Technical assistant and DEOs. The PMT will have the responsibility to ensure collaboration among various line departments in the circle/state/district to achieve the target of oil palm production. The appointment of technical manpower will be made on contract basis with the terms of reference laid down for the purpose of NMEO-EC. The PMT will provide the technical service/advice. The basic qualification, experience, honorarium of consultant, Technical Asstt. is also given in NMEO-OP guideline **Annexure-XI**.

### Approved Contractual Staffs at State Level

Post	Rate of Honorarium (Rs. per months)	No.
<b>At State HQ</b>		
Consultant (Oil palm)	65000	1
TA (Oil palm)	40000	1
<b>At District level (Only for identified District)</b>		
TA	35000	2
DEO	25000	2

**28.3 Programme Management Unit (PMU) at District Level:** A maximum of two Technical Assistants (TA) for the project period having a basic degree in agriculture with computer skills may be engaged purely on contractual basis to support at district level within the 5% of total allocation of the state. The qualification of district level TA can be relaxed with consultation with Mission director to Graduate level preferably from Biological science/Life science. The basic qualifications and experiences required for Consultants /Technical Assistant/ DEO is given in **Annexure-XII**.

**The following activities will be covered under this intervention:**

- i. States will be allowed to engage state level consultants/ supporting staff as Technical Support Group (TSG) purely on contractual basis. Hiring of vehicles/ Monitoring of scheme/attending workshop/meetings by state functionaries *etc.* for implementation of the programme is allowed. No purchase of vehicles and no permanent post will be created.
- ii. States will be allowed to incur any other expenditure that may be essential for smooth implementation of the programme such as office stationery, office equipments, expenses towards monitoring *etc.* at the discretion of the State Govt. within the allocation of PME.

## 29. Viability Price, Formula Price, Viability Gap Payment & FFBs Price fixation (Annexure XIII)

### **I. Viability Price for price of FFBs as assured returns to the farmers**

- (i) Since India remains heavily dependent on imports, international CPO prices will continue to affect the prices of domestic FFBs. Hence it is necessary to insulate the farmers from this volatility in prices. Thus a new mechanism has been formulated in the interest of the farmers to ensure their remunerative returns to build up their confidence to undertake Oil Palm plantation.
- (ii) A **Viability price (VP) for the price of FFBs has been introduced**, which will be the mechanism for the assured returns to the farmers, to take care of the fluctuations, and will guarantee a price for their produce with an objective formulation.
- (iii) For assurance to the farmers for the prices of FFBs during the Oil Palm Year (OPY), which is from 1<sup>st</sup> November till 31<sup>st</sup> October for next year, the Viability Price (VP) shall be declared in November of each year. **This VP of FFB per ton shall be 14.3% of the annual average price of CPO of the last 5 years adjusted with wholesale price index (WPI) of all India.** Every year starting with OPY from the month of 1<sup>st</sup> November, the Government of India shall declare



the VP for that OPY by a committee of the Department of Agriculture & Farmers Welfare. Through declaration of this VP, the farmers will know at the beginning of the year the price they will be paid for their produce of FFBs.

## **II. Formula Price (FP):**

- (a) For the assured payment to the farmers, a concept of formula price has been introduced. **The simpler formula is, FFB price = 14.3% of CPO price. This will replace the CACP Formula of 2012.** The FP will be average monthly (of the preceding month) landed CPO price multiplied by a multiplication factor 14.30%, as applicable in case of the Viability Price. **The Formula price would be used only for the calculation of viability gap funding calculation in every month.**
- (b) Though the calculation of 14.3 % has been taken for the calculation of FFB price for conversion from the CPO price, but for a PAN India scheme, **CPO price for this scheme will be the CPO price for Kandla delivery traded on Multi Commodity Exchange India (MCX), moderated on a lower side by 1.5 %.**

## **III. Viability Gap Payment (VGP):**

The Industry pays the farmers for their FFB produce based on the monthly prices fixed for the FFBs. **If the payment to farmers by the industry is below the VP, the Government will provide a VGP to ensure that the farmers payment reaches the VP.** In this scenario, the farmer would be entitled for payment of VGP, which **shall be the VP for the Oil Palm Year (OPY) minus the Formula price (FP) for that particular month, in case the farmers payment by the industry is less than VP.** The VGP from, 1<sup>st</sup> Nov, 2021 to 31<sup>st</sup> Oct, 2028, shall be 100% difference between the VP and the FP price for a particular month. Thereafter, every 3 years (1<sup>st</sup> Nov, 2028 to 31<sup>st</sup> Oct, 2031; 1<sup>st</sup> Nov, 2031 to 31<sup>st</sup> Oct, 2034 and 1<sup>st</sup> Nov, 2034 to 31<sup>st</sup> Oct, 2037), will decrease by 25 % to reach landed CPO price in 2037. **There will be no VGP liability for the Government from 1<sup>st</sup> November 2037.**

## **IV. Industry Payment in Rest of India , NER and Andaman & Nicobar Islands :**

- (a) While for the calculation of FP, a constant of 14.3 % of CPO has been taken, for the minimum industry payment to the farmers, this will increase gradually. Industry will pay based on 14.3% of the average monthly price of CPO from 1<sup>st</sup> November 2021 to 31<sup>st</sup> October 2028. This payment by the industry shall increase by 0.25 % every three years from 1<sup>st</sup> November 2028, till 31<sup>st</sup> October 2037 to reach 15.3 % on 1<sup>st</sup> November 2037. From 1<sup>st</sup> November 2037, the farmers will be paid 15.3 % of CPO as FFB Price. Details of the CPO price traded at Kandla Exchange will be provided by the Government of India through a portal and will be shared to the state governments on a daily/monthly basis.
- (b) To give impetus to the North East (NE) and Andaman & Nicobar Islands (A&N Islands), specially because of the existing terrain, tough conditions and need for investment in the industry, Government of India will provide a special payment for NER and A&N Islands, to ensure that the farmers are paid at par with the rest of India

V. Presently through the Oil Palm Acts/ Regulations/Orders, State Governments are fixing the price for the FFBs which is paid by the industry to the farmers. In case States do not adopt the industry payment as per this scheme, they shall be at liberty to continue with their own payment system, and in

such a case the industry will be mandated to pay the State mandated price. **In case States do not adopt the industry payment pattern of the scheme, then industry shall pay the state mandated price and in such a case, neither VGF or special NE payment shall be payable by GoI. Thus the payment of VGF or special NER payment by GOI shall be applicable only if the states adopt the formulation of payment of FFB price of the scheme. For this the states adopting the approved scheme payment pattern by the industry will sign a memorandum of Understanding (MOUs) with the Government of India for the same. A sample of the MoU is at Annexure XVI. The payment by Government of India & the Industry as mentioned above has been summarized in the table below.**

Payment pattern of the scheme, the payment by GoI and Industry as per the MoU:

Oil Year	Minimum Payment schedule by industry to farmers (as % of CPO)		Difference to be paid by GoI to the farmers	
	Rest of India	N states & A & N Islands	Difference to be paid by GOI in North East states & (A & N) Islands for parity with ROI	Payment of VGP by GOI to farmers as (Viability price-Formula price)
1st Nov 21 to 31st Oct 28	14.30	12.30	14.30-12.30=2%	(Viability price-Formula price)x 100%
1st Nov 28 to 31st Oct 31	14.55	13.05	14.55-13.05=1.5%	(Viability price-Formula price)x 75%
1st Nov 31 to 31st Oct 34	14.80	13.80	14.80-13.80=1.0%	(Viability price-Formula price)x 50%
1st Nov 34 to 31st Oct 37	15.05	14.55	15.05-14.55=0.5%	(Viability price-Formula price)x 25%
1st Nov 37 onwards	15.30	15.30	15.30-15.30=0%	0

*\* Subject to the condition that together with industry payment and NER and A&N Islands special payment by GOI, it does not exceed the viability price declared by the GOI.*

Though the funding for the approved NMEO (OP) for five years has been kept till 2025-26, since the sunset clause will be from November, 2037, thus the Government of India liabilities would continue till that time for the scheme as applicable. The farmers already cultivating oil palm would also be considered for VGF along with future growers of oil palm so that the confidence in the farmers is enhanced to go for oil palm cultivation.

#### **VI. Viability Price Fixation Committee (VPFC):-**

The Viability Price Fixation Committee (VPFC) of Fresh Fruit Bunches (FFBs) of Oil Palm has been constituted under the Chairmanship of Additional Secretary, Department of Agriculture & Farmers Welfare to declare Viability Price in every Oil Palm Year (OPY) (1st Nov to 31st Oct of next year). The composition of the Committee is given below:

<b>S. No.</b>	<b>Constitution of the committee</b>	<b>Status</b>
1.	Additional Secretary of DA&FW (Senior most)	Chairman
2.	Managing Director, MCX or his representative	Member
3.	Adviser (Trade), DA&FW	Member
4.	Adviser (Costs), DES	Member
5.	Joint Secretary (Customs)	Member
6.	Joint Secretary (Capital Markets, DEA)	Member
7.	Director (Finance), DA&FW	Member
8.	Joint Secretary (Crops/Oilseeds)	Member Secretary

**Terms of References (ToRs) of the Committee are given below:**

- (i) To declare the VP on 1<sup>st</sup> November of every year starting from 1st November 2021 based on the formulation approved by the Cabinet. (copy enclosed)
- (ii) To maintain data of CPO price on a regular basis for distribution to the relevant authorities.
- (iii) A sub-committee will prepare report based on the daily/monthly data.

Order of constitution of Viability Fixation Committee is given as Annexure-XV

The Formula Price and Viability Price are only to be used for purposes of viability gap funding by the Government of India if the need arises. For the payment by the Industry to the farmers where there is no occasion for Government to intervene, the payment to the farmers would be as per the agreement signed between the State, farmers and the processors.

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## **LIST OF ANNEXURES**

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## Annexure-I

### The state-wise potential area assessed by ICAR-IIOPR in 2020

Sl. No	State	Area	No. of Districts	Name of Districts
1	Andhra Pradesh	531379	10	East Godavari, Guntur, Krishna, Kurnool, Nellore, Prakasam, Srikakulam, Vishakapatnam, Vizianagaram, West Godavari
2	Chhattisgarh	57149	15	Bastar, Bijapur, Bilaspur, Dantewara, Janjgir Champa, Jashpur, Kanker, Kawardha, Korba, Mahasamund, Narayanpur, Raigarh, Raipur, Surguja
3	Gujarat	62361	14	Amreli, Anand, Bharuch, Bhavnagar, Dahod, Junagarh, Khera, Narmada, Panchmahal, Rajkot, Surat, Surendranagar, Tapi, Vadodara
4	Goa	2000		NA
5	Karnataka	72642	15	Ballary, Belgavi, Bidar, Chikkamagaluru, Dharwad, Hassan, Haveri, Kalburgi, Koppal, Mandya, Mysuru, Raichur, Shivamogga, Vijayapura, Yadgir
6	Odisha	34291	17	Anugul, Balangir, Baleshwar, Baragarh, Gajapathi, Ganjam, Kalahandi, Kandhamal, Kendujhar, Koraput, Malkangiri, Mayurbhanj, Nabarangapur, Rayagarha, Sambalpur, Subarnapur, Sundargarh
7	Tamil Nadu	95719	17	Ariyalur, Cuddalore, Erode, Kanchipuram, Karur, Madurai, Pudukkottai, Ramanathapuram, Sivaganga, Thiruvavarur, Tiruchirapalli, Tiruvallur, Tiruvannamalai, Tuticorin, Villupuram, Virudhunagar, Tanjavur
8	Telangana	436325	27	Adilabad, Bhadradi Kothagudem, Jagitial, Jangaon, Jayashankar Bhupalapally, JogulambaGawal, Kamareddy, Khammam, Kumarambheem sifabad, Mahabubabad, Mahabubnagar, Mancherial, Medchal Malkajgiri, Nagar Kurnool, Nalgonda, Nirmal, Nizamabad, Peddapalle, Rajanna Sircilla, Rangareddy, Sangareddy, Siddipet, Suryapet, Vikarabad, Wanaparthy, Warangal, Yadadri Bhuvanagiri
9	Kerala	43676	8	Alappuzha, Ernakulam, Idukki, Kozhikode, Malappuram, Palakkad, Pathanamthitta, Thrissur
10	Bihar	123148	35	Arariya, Arwal, Aurangabad, Banka, Begusarai, Bhabua, Bhagalpur, Bhojpur, Buxar, Darbhanga, Gaya, Gopalganj, Jahanabad, Katihar, Khagaria, Lakhisarai, Madhepura, Madubani, Munger, Muzzaffarpur, Nalanda, Nawda, PachimChamparan, Patna, PurbaChamparan, Purnia, Rohtas, Saharsa, Samastipur, Saran, Sheikhpura, Sitamarhi, Siwan, Supaul, Vaishali
11	Madhya Pradesh	118079	29	Alirajpur, Anuppur, Balaghat, Barwani, Betul, Bhopal, Burhanpur, Chhindwara, Dewas, Dhar, Dindori, East Nimar, Guna, Harda, Hoshangabad, Indore, Jhabua, Mandla, Mandsaur, Nimach, Raisen, Rajgarh, Sehore, Seoni, Shahdol, Shajapur, Ujjain, Videsha, West Nimar
12	Maharashtra	162210	28	Ahmadnagar, Akola, Amravati, Aurangabad, Bhandra, Bid, Buldhana, Chandrapur, Dhule, Gadchiroli, Gondiya, Hingoli, Jalgaon, Jalna, Latur, Nagpur, Nanded, Nandurbar, Nasik, Osmanabad, Parbhani, Pune, Sangli, Satara, Solapur, Wardha, Washim, Yavatmal

13	Uttar Pradesh	48663	9	Azamgarh, Ballia, Chandauli, Deoria, Gazipur, Gorakhpur, Kushinagar, Maharajganj, Mau
14	West Bengal	45463	11	Bankura, Bardaman, Birbhum, East medinipur, Haora, Hugli, Malda, Mursidabad, PaschimMedinipur, Puruliya, South 24 Paraganas
15	Arunachal Pradesh	133811	11	Changlang, East Kameng, East Siang, Lohit, Lower Dibang Valley, Lower Subansiri, Pampum-Pare, Tawang, Tirap, West Kameng, West Siang
16	Andaman & Nicobar	3000	NA	NA
17	Assam	375428	10	Cachar, Chirang, Dhemaji, Dibrugarh, Hailakandi, Jorhat, Karimganj, Lakhimpur, N.C Hills, Tinsukia
18	Manipur	66652	6	Bishnupur, Chandel, Churachandpur, Imphal West, Thoubal, Ukhrul
19	Meghalaya	122637	4	East Garo Hills, East Khasi Hills, Jaintia Hills, West Khasi Hills
20	Mizoram	66792	8	Aizawl, Champhai, Kolasib, Lawngtlai, Lunglei, Mamit, Saiha, Sechhip
21	Nagaland	51297	6	Dimapur, Kiphire, Wokha, Mokhokchung, Peren, Tuensang
22	Tripura	146364	4	Dhalai, North Tripura, South Tripura, West Tripura
	<b>Total</b>	<b>2799086</b>	<b>284</b>	

## Annexure –II

### The state wise area expansion target in General and NE State

Sl no.	States	Left over potential area(ha)	Area expansion target ( ha)					
	ROI states		2021-22	2022-23	2023-24	2024-25	2025-26	Total
1.	Andhra Pradesh	346739	15000	20000	24000	25000	28000	112000
2.	Chattisgarh	51607	500	1500	4300	5000	5100	16400
3.	Goa	1030	0	200	200	200	200	800
4.	Gujarat	56147	500	1000	3000	4000	4200	12700
5.	Karnataka	25688	2000	3300	4000	5000	5000	19300
6.	Kerala	37988	0	1000	1500	2000	2000	6500
7.	Odisha	11161	1500	2000	2000	2500	2500	10500
8.	Tamil Nadu	62737	1500	2000	5000	5000	5000	18500
9.	Telangana	414943	19000	22000	25000	29300	30000	125300
	<b>Total (ROI)</b>	<b>1008040</b>	<b>40000</b>	<b>53000</b>	<b>69000</b>	<b>78000</b>	<b>82000</b>	<b>322000</b>
	<b>NE States</b>							
10.	Assam	373579	1500	2500	86000	100000	10000	200000
11.	Arunachal Pradesh	132487	2500	4000	11000	17500	5000	40000
12.	Mizoram	37767	2000	3000	10000	10000	2000	27000
13.	Nagaland	47225	1500	2000	10000	12500	4000	30000
14.	Manipur	66652	2500	3500	9000	12000	4000	31000
	<b>Total (NE)</b>	<b>657710</b>	<b>10000</b>	<b>15000</b>	<b>126000</b>	<b>152000</b>	<b>25000</b>	<b>328000</b>
	<b>Grand total (ROI+NE)</b>	<b>1665750</b>	<b>50000</b>	<b>68000</b>	<b>195000</b>	<b>230000</b>	<b>107000</b>	<b>650000</b>

The above is indicative and is subject to modifications based upon action plan of the State Governments.

**Annexure-III**

**Pattern of Assistance for water harvesting and irrigation through PRI**

<b>Broad Activity</b>	<b>Sub Activity</b>	<b>Pattern of Assistance</b>	<b>Name of Scheme</b>
<b>Water Harvesting &amp; Irrigation</b>	Plastic/RCC based water harvesting structure/ farm pond/construction of community tank (100 meter x 100 meter x 3 meter) For smaller size ponds/tanks, cost will be admissible on pro rata basis, depending upon command area	Rs. 20 lakhs per unit in plains; and Rs. 25 lakhs per unit in hilly areas with 500 micron plastic lining/ RCC lining, for 10-hectare command area	As per NHM/HMNEH/NMSA guideline  Sub schemes under MIDH
	Water Storage in Farm Pond/ Dug well (Measuring 20 meter x 20 meter x 3 meter) by individual.  For smaller size ponds/dug wells, cost will be admissible on pro rata basis	50% of cost and limited to Rs. 0.75 lakhs per beneficiary for plains & Rs. 0.90 lakhs / beneficiary for hilly areas with 300 micron plastic lining/RCC lining, for 2-hectare command area. In case of non-lined ponds 30%, less assistance will be provided.	
	Restoration/Renovation of small tank	50% of the cost of renovation limited to Rs. 15,000/- per unit	As per NMSA guideline
	Recharge of defunct bore well	50% of the cost of recharging limited to Rs. 5000/- per unit	
	Pipe/pre-cast distribution system	50% of the cost of system limited to Rs. 10,000/- per ha.	
	Water Harvesting System for individuals	50% of cost (Construction cost Rs. 125/- for plain / Rs. 150/- per cu m for hilly areas) limited to Rs. 75,000/-, for plain areas and Rs. 90,000/- for hilly areas including lining. For smaller size of the ponds/dug wells, cost admissible on pro rata basis. Cost for non-lined ponds/tanks will be 30% less.	
	Lining of Tanks/ Ponds constructed under MNREGA/WSDP etc.	50% cost of plastic/RCC lining limited to Rs. 25,000/- per pond/tank/well.	



	<p>Water Harvesting System for communities: Construction of Community tanks / on-farm ponds/check dams/reservoirs with use of plastic/RCC lining on public land.</p>	<p>100% of the cost limited to Rs. 20 lakhs/unit in plain areas, Rs. 25 lakhs/unit in hilly areas, for 10 ha of command area.</p> <p>For any other smaller size on pro rata basis depending upon the command areas. Cost for non-lined ponds/tanks will be 30% less.</p>	
<p>Source:  <a href="https://rkvy.nic.in/static/schemes/WaterHarvestingIrrigation.html">https://rkvy.nic.in/static/schemes/WaterHarvestingIrrigation.html</a>  <a href="https://nmsa.dac.gov.in/pdfdoc/NMSA_Guidelines_English.pdf">https://nmsa.dac.gov.in/pdfdoc/NMSA_Guidelines_English.pdf</a>  <a href="https://midh.gov.in/PDF/Annexure-V.pdf">https://midh.gov.in/PDF/Annexure-V.pdf</a></p>			

**Annexure- IV (a)**

**Format for submission of Annual Action Plan under Oilpalm for ROI**

**Name of the state.....**

**Year.....**

**Total potential area..... ha**

**Area covers so far..... ha**

**Target..... ha**

Sl no .	Interventions	Pattern of assistance (in Rs.)	Unit	Targets for current year			
				Physical	Financial (Rs in lakh)		
					GOI share	State share	Total
1.	Planting Material	Rs. 20,000/ha for indigenous	Ha				
		Rs. 29,000/ ha imported					
2.	Management and Inputs for intercropping upto gestation period (4 yrs)	Rs. 42,000/ha	Ha				
3.	Establishment of Seed Gardens	Rs. 80.00 lakh/seed garden for infrastructure and revolving fund	No.				
4.	Nursery	Rs. 40.00 lakhs/ nursery	No.				
5.	Drip irrigation	As per PMKSY norms	Ha				
6.	Bore well/ Pump set/ water harvesting structure/ Vermi compost unit, Solar pumps	As per MIDH guidelines Solar pumps: As per PM-KUSUM norms	No.				
7.	Harvesting tools						
	Cutter	Rs. 2500/ unit	No.				
	Wire Mash	Rs. 20000/ unit	No.				
	Motorized chisel	Rs. 15000/ unit	No.				
	Potable ladder/polls	Rs. 5000/ unit	No.				
	Chaff Cutter	Rs. 50000/ unit	No.				
	Tractor Trolly	Rs. 200000/ unit	No.				
8.	Custom hiring centre cum Harvester Groups	Rs. 25.00 lakh per unit for equipment, tools, training, contingencies, maintenance etc.	No.				
9.	Farmers training	Rs. 30000/- per training	No.				
10.	Officers training	Rs. 40000/- per training	No.				
11.	Replanting of old oil palm garden	Rs. 250/- per plant (uprooting, replacing, and digging of new pit)	Ha				
12.	Flexi fund	10% as flexi-fund	Rs.				
13.	Programme Management Expenses	3 % of total allocation	Rs.				
	<b>Total</b>						

**Annexure-IV (b)**

**Format for submission of Annual Action Plan under Oilpalm**

**for NE states**Name of the state- .....

**Year-** .....

**Total potential area**..... ha

**Area covers so far**..... ha

**Target**..... ha

Sl no .	Interventions	Pattern of assistance (in Rs.)	Unit	Targets for current year			
				Physical	Financial (Rs in lakh)		
					GOI share	State share	Total
1.	Planting Material	20,000/ha for indigenous	Ha				
		29,000/ ha imported					
2.	Management and Inputs for intercropping upto gestation period (4 yrs)	50,000/ha	Ha				
3.	Establishment of Seed Gardens	100.00 lakh/ seed garden for infrastructure and revolving fund	No.				
4.	Nursery	50.00 lakhs/ nursery	No.				
5.	Drip irrigation	As per PMKSY norms	Ha				
6.	Bore well/ Pump set/water harvesting structure/ Vermi compost unit, Solar pumps	As per MIDH guidelines Solar pumps: As per PM-KUSUM norms	No.				
7.	Harvesting tools						
	Cutter	2500/ unit	No.				
	Wire Mash	20000/ unit	No.				
	Motorized chisel	15000/ unit	No.				
	Potable ladder/polls	5000/ unit	No.				
	Chaff Cutter	50000/ unit	No.				
	Tractor Trolley	200000/ unit	No.				
8.	Custom hiring centre cum Harvester Groups	25.00 lakh per unit for equipment, tools, training, contingencies, maintenance etc.	No.				
9.	Oil Palm processing Mills	500.00 lakh/ mill	No.				
10.	Special Package for NE						
	clearance of land	3000/- per ha	Ha				
	Half-moon terrace	4000/- per ha	Ha				
	Bio fencing	4000/- per ha	Ha				
	Integrated farming system	10000/- per ha	Ha				
11.	Farmers training	30000/- per training	No.				
12.	Officers training	40000/- per training	No.				
13.	Replanting of old oil palm garden	250/- per plant (uprooting, replacing, and digging of new pit)	Ha				
14.	Flexi fund	10% as flexi-fund	Rs.				

<b>15.</b>	Programme Management Expenses	3 % of total allocation	<b>Rs.</b>				
	Total						

## Format for submission of monthly/quarterly progress report NMEO-OP

Sl. No.	Interventions	Unit	Progress last year				Targets for current year			
			Physical	Financial (Rs in Lakh)			Physical	Financial (Rs in Lakh)		
				GOI Share	State Share	Total		GOI Share	State Share	Total
1	Planting Material	ha								
2	Maintenance Cost during gestation period									
	1st Year	ha								
	2nd Year	ha								
	3rd year	ha								
	4th year	ha								
3	Input for intercropping in oil palm	ha								
	<b>Total (1 to 3) fund 50 to 70 %</b>									
4	Drip Irrigation	ha								
5	Diesel / Electric Pump Sets	Nos .								
6	Bore well/ water harvesting structure /ponds at oil palm farm	Nos .								
7	Establishment / Maintenance of seed garden	Nos .								
8	Construction of vermicompost unit at oil palm farm	Nos .								
9	Machinery Tools									
	(i) Oil Palmcutter	Nos .								
	(ii) Oil Palm protective wiremesh	Nos .								
	(iii) Motorised	Nos .								

	chisel									
	(iv) aluminium portable ladder	Nos								
	(v) chaff cutter	Nos								
	(vi) Small Tractor with Trolley	Nos								
<b>10</b>	Special component for NE/Hilly States /LW Area / Region									
<b>11</b>	Farmer's training	Nos (Batch)								
<b>12</b>	Training of extension workers/officers/ input dealers	Nos (Batch)								
<b>13</b>	Demonstrations	ha								
	<b>Total (4 to13) fund 20 to 30 %</b>	...	..				...			

**Annexure-V Contd....**[illegible]

### **Part –B**

### Progress of area expansion and production of Oil Palm for the year.....

Area Expansion (in ha)		Production (in MTS)		Prices (in Rs. Per MT)		Nos. of Farmers Identified for Oil Palm Cultivation	No. and Names of Districts Identified for Oil Palm Cultivation
Target	Achievement	FFB's	CPO	FFB's	CPO		

## PART-C

**Progress of allocation/approved and Release of fund for the year .....**

(Rs. In lakh)

Openi ng Balan ce (GOI )	Allocation/ Approved Funds			Release of Funds			Total Availabilit y ofGOI Funds	Expenditure			Unspe nt Balan ce (GOI)
	GOI	State	Total	GOI	State	Total		GOI	State	Total	

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### PART-D

**Progress of component-wise SC/ST & Women farmers are being benefitted for NMEO-OP for the Year .....**

**Month:**

**State:**

Sl. No.	Component	S C		S T		Wom en	
		No. of Beneficiaries	Amount Spent (in Rs.)	No. of Beneficiaries	Amount Spent (in Rs.)	No. of Beneficiaries	Amount Spent (in Rs.)
1	2						
1.	Planting Material						
2.	Drip-Irrigation						
3.	Diesel Pump sets						
4.	Bore well/ water harvesting structure/ ponds						
5.	Vermi-compost Units						
6.	Machinery & Tools						
7.	Training						
8.	Other components						
	<b>Total</b>						



## PART-E

## Format for submission of Annual Action Plan under Oilpalm by the Processors

1. **Name of the Processors:**
2. **Name of the State:**
3. **Details of Factory Zone and Allotted Districts**

District	Potential Are a(ha)	Area allotted (ha)	Area covers sofar (ha)	Target ( ha) (2021-22)
<b>Total</b>				

- #### 4. Target of Area expansion in next 5 years

District	Area expansion target (ha)				
	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Total</b>					

- ### 5. Planting material requirement in next 5 years

(In 1000 no.)

[illegible]

- ## 6. Planting material availability in next 5 years

(Quantity in '000 no.)

[illegible]

**7. Maintenance and inter cropping during gestation period**

(Area in ha)

2021-22		2022-23		2023-24		2024-25		2025-26	
Mainten ance	Inter cropp ing	Mainten ance	Inter cropp ing	Mainten ance	Inter cropp ing	Mainten ance	Inter cropp ing	Mainten ance	Inter cropp ing
<b>Total</b>									

**8. Establishment of Seed Gardens**

Location and address	Area of seed garden (ha)	Status of Land lease process	Infra structure available	Infra structure require	Information on mother plant	Characteristic s of mother plant	Year of sprout production and quantity (lakh no.)
<b>Total</b>							

**8.1 Infra structure development of Seed Garden**

S. No	Infra structure development		Revolving fund	
	Particular	Amount (Rs.per15 ha)	Particulars	Amount (Rs.)
1.	Land lease		Import of mother plan/sprouts	
2.	Land development		Packing/labeling	
3.	Parental material and establishment		Accreditation of the garden	
4.	Drip irrigation infrastructure		International cooperation	
5.	Bore well & pump sets etc.		Any specific items	
6.	Transformer and Electrical appliances			
7.	Buildings and germination chamber			
8.	Laboratory (Lab, heating chamber, germination chamber:			
9.	Fencing& Civil works			
10.	Security and manpower requirement			

11.	Miscellaneous and operational expenses			
	<b>Total</b>			

## 8.2 The seed garden wise expected availability of sprouts both from domestic and import over theyears

Location of Nursery	Capacity to produce sprouts (No. in lakh)				
	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Total</b>					

## 9. Establishment of Seed Nurseries

Location and address	Area of seed nurseries (ha)	Status of Land lease process	Infra structure available	Infra structure require	Information on sources of sprouts	Characteristic s of sprouts	Year/ Capacity of seedling production (lakh no.)
<b>Total</b>							

### 9.1 Infra structure development of Seed nurseries

S.N .	Infra structure development	
	Particular	Amount (Rs. in lakh)
1.	Land lease	
2.	Domestic purchase and Import of sprouts	
3.	Shade net and infrastructure (primary nursery)	
4.	Drip irrigation system installation	
5.	Installation of mainline from bore wells to mainnursery	
6.	Overhead irrigation system	
7.	Others(bore well, Power & Water connections)	
8.	Pond excavation with HDPE line (500micron)	
9.	Bore well motor, pump set etc.	
10.	Trenching and land preparation	
11.	Fencing & Civil works	
12.	Plant quarantine and compliances	
13.	Transformer and electrical appliances	
14.	Security and manpower requirement	
15.	Miscellaneous and operational expanses	

	<b>Total</b>	
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**9.2 Nursery wise expected availability of seedlings both from domestic and import over the years**

Location of Nursery	Capacity to produce seedlings (No. in lakh)				
	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Total</b>					

**10. Drip irrigation (50% of the target area)**

Name of the districts	Target of drip irrigation (ha)					Total
	2021-22	2022-23	2023-24	2024-25	2025-26	
<b>Total</b>						

**11. Bore well/ Pump set/water harvesting structure/ Vermi compost unit, Solar pumps**

Particulars	Target of 5 years (no.)					Total
	2021-22	2022-23	2023-24	2024-25	2025-26	
Bore well						
Pump set						
water harvesting structure/						
Vermi compost unit						
Solar pumps						

**12. Harvesting tools**

Harvesting tools	Target of 5 years (no.)					Total
	2021-22	2022-23	2023-24	2024-25	2025-26	
Cutter						
Wire Mash						
Motorized chisel						
Potable						

ladder/polls						
Chaff Cutter						
Tractor Trolley						

### 13. Custom hiring centre cum Harvester Groups

Name of the FPO/S HG/ Organisation	Operational District / Block/ Zone	Target of custom hiring center									
		2021-22		2022-23		2023-24		2024-25		2025-26	
		Physical (no.)	Harvesting area (ha)	Physical (no.)	Harvesting area (ha)	Physical (no.)	Harvesting area (ha)	Physical (no.)	Harvesting area (ha)	Physical (no.)	Harvesting area (ha)

Note: One HG will take care of minimum 500 ha.

#### 13.1 Infrastructure development of CHC cum HG

S.No	Infra structure development of CHC	
	Particular	Amount (Rs. in lakh)
1.	Harvesting tools	
2.	Tractor	
3.	Tractor Trolley	
4.	Chaff cutter	
5.	Motorized chisel	
6.	Potable ladder/polls	
7.	Hydraulic ladder	
8.	Import of machinery	
9.	Training of skill harvester	
10.	Management & contractual services	
11.	Registration and administrative cost of HG	
	<b>Total</b>	

### 14. Farmers training

Name of the districts	Target of training (no.)					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
	Farmers	Farmers	Farmers	Farmers	Farmers	Farmers

Total						

**15. Replanting of old oil palm garden**

Name of the districts	Target of Replanting of old garden (ha)					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Total						

**Summary of Component-wise annual action plan for the year by Processors in ROI**

Sl no.	Interventions	Pattern of assistance (inRs.)	Unit	Targets for current year	
				Physical	Financial (Rs in lakh)
1.	Planting Material	20,000/ha for indigenous	Ha		
		29,000/ ha imported			
2.	Management and Inputs for intercropping upto gestation period (4 yrs)	42,000/ha	Ha		
3.	Establishment of Seed Gardens	80.00 lakh/ seed garden	No.		
4.	Nursery	40.00 lakhs/ nursery	No.		
5.	Drip irrigation	As per PMKSY norms	Ha		
6.	Bore well/ Pump set/water harvesting structure/ Vermi compost unit, Solar pumps	As per MIDH guidelines Solar pumps: As per PM-KUSUM norms	No.		
7.	Harvesting tools				
	Cutter	2500/ unit	No.		
	Wire Mash	20000/ unit	No.		
	Motorized chisel	15000/ unit	No.		
	Potable	5000/ unit	No.		

	ladder/polls				
	Chaff Cutter	50000/ unit	<b>No.</b>		
	Tractor Trolly	200000/ unit	<b>No.</b>		
<b>8.</b>	Farmers training	30000/- per training	<b>No.</b>		
<b>9.</b>	Replanting of old oil palm garden	250/- per plant	<b>Ha</b>		
	<b>Total</b>				

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## The details of pattern of assistance under NMEO-OP

S. No	Sub Components	Pattern of funding	Assisted Rate of Assistance(2021-22)						
1	PlantingMaterial	60:40 90:10 100:0 for general, NE states and UTs, respectively	For purchasing of planting material, during 1st year, ₹ 20,000/ha indigenous & ₹ 29,000/ ha imported (including transport cost) will be provided to the farmers for entire land holding.						
2	Management up to gestation period (4 yrs)	60:40 90:10 100:0	During gestation period for 4 years, ₹ 42,000/ha will be provided to farmers in ROI & ₹ 50,000/ha for NE States and Andaman & Nicobar Islands for inter-cropping and maintenance cost.						
3	Inputs for intercropping	60:40 90:10 100:0							
4	Establishment of Seed Gardens	100	<p>One time assistance as subsidy for necessary infrastructure &amp; setting up of new seed garden (capacity 10.00 lakh seedlings per year) having at least 15 ha area will be provided as per table given below:</p> <table><tr><th>Crop</th><th>One time grant (₹ / garden)</th><th>Revolving fund</th></tr><tr><td>Oil palm</td><td>₹ 40.00 lakh for ROIand ₹ 50.00 lakh for NE states and Andaman &amp; Nicobar Islands</td><td>₹ 40.00 lakh for ROI and ₹ 50.00 lath for NE states and Andaman &amp; Nicobar Islands</td></tr></table> <p>For nursery ₹ 40.00 lakhs and ₹ 50.00 lakhs for NE states and Andaman &amp; Nicobar Islands</p>	Crop	One time grant (₹ / garden)	Revolving fund	Oil palm	₹ 40.00 lakh for ROIand ₹ 50.00 lakh for NE states and Andaman & Nicobar Islands	₹ 40.00 lakh for ROI and ₹ 50.00 lath for NE states and Andaman & Nicobar Islands
Crop	One time grant (₹ / garden)	Revolving fund							
Oil palm	₹ 40.00 lakh for ROIand ₹ 50.00 lakh for NE states and Andaman & Nicobar Islands	₹ 40.00 lakh for ROI and ₹ 50.00 lath for NE states and Andaman & Nicobar Islands							
5	Drip irrigation	60:40 90:10 100:0	As per PMKSY norms						



6	Bore well/Pump set/water harvesting structure/  Vermi compost unit	60:40 90:10 100:0	As per MIDH guidelines.  Solar pumps: As per PM-KUSUM norms  Vermi compost unit @50% of the cost limited to ₹ 15000/unit of 15m length, 0.9m width and 0.24 m depth.														
7	Harvesting tools	60:40 90:10 100:0	Assistance as under <table><tr><td>Tools</td><td>₹ per unit</td></tr><tr><td>Cutter</td><td>2500</td></tr><tr><td>Wire Mash</td><td>20000</td></tr><tr><td>Motorized chisel</td><td>15000</td></tr><tr><td>Potable ladder/polls</td><td>5000</td></tr><tr><td>Chaff Cutter</td><td>50000</td></tr><tr><td>Tractor with Trolley</td><td>200000</td></tr></table>	Tools	₹ per unit	Cutter	2500	Wire Mash	20000	Motorized chisel	15000	Potable ladder/polls	5000	Chaff Cutter	50000	Tractor with Trolley	200000
Tools	₹ per unit																
Cutter	2500																
Wire Mash	20000																
Motorized chisel	15000																
Potable ladder/polls	5000																
Chaff Cutter	50000																
Tractor with Trolley	200000																
8	Custom hiring centre cum Harvester Groups	60:40 90:10 100:0	Custom hiring centre cum FFBs harvester group by processors/ State/ SHGs/ FPOs/ Registered societies will be created in each states  One time grant for ₹ 25.00 lakh per unit for equipment, tools, training, contingencies, maintenance etc.														
9	Oil Palm processing Mills	60:40 90:10 100:0	For NE states 50 % of the cost limited to ₹ 500.00 lakh for a unit of 5.00 MT/Hr for new oil palm Mill with pro rata increase.														
10	Special Package for NE states and Andaman & Nicobar Islands	90:10 100:0	(i) 50% of the actual cost and 20% of total outlay on Oil Palm for roads from field to nearest FFB collection/ processing centre. (ii) Assistance for clearance of land / waste lands before oil palm plantation (₹ 3000/- per ha) (iii) Half-moon terrace (₹ 4000/- per ha) (iv) Bio fencing with bamboo and other														

			means in oil palm field by way of 11 suitable fencing (₹ 4000/- per ha). (v) Integrated farming system @ ₹ 10000 for back yard poultry, animal, fodders, kitchen gardening etc.
<b>11</b>	Farmers & Officers training	60:40 90:10 100:0	(i) Farmers Training: ₹ 30000/- per training for a batch of 30 farmers for 2 days (@ 500/- per participant per day). (ii) Input dealers included. (iii) Officers training ₹ 40000/- per training for a batch of 20 officers for 2 days. (@ 1000/- per participant per day).
<b>12</b>	Replanting of old oil palm garden	60:40 90:10 100:0	After 25-30 years of age one time grant 50% of the cost @ ₹ 250/- per plant (uprooting, replacing, and digging of new pit) will be provided for replanting of old gardens. State holders: State/processors
<b>13</b>	R&D and Centre of Excellence	100	Need based/ Time bound, target oriented/ research project will be funded to bring break through yield improvement of oil palm including Mela, seminar, workshop, exhibitions etc.
<b>14</b>	Flexi fund	60:40 90:10 100:0	Flexi 10% as flexi-fund to provide flexibility to States to meet local needs and requirement within the overall objective of oil palm promotion
<b>15</b>	Programme Management Expenses	60:40 90:10 100:0	Implementing States/ agencies/ enterprises will be allowed to utilize 3 % of their total allocation for contingency expenditure towards monitoring & evaluation, Operational costs, consultancy, Publicity/Exposure visits (inter and intra state) of farmers and/ or officers/Seminar/Conference/Workshop/ meetings/ Tilhan Mela/ engage state level consultants/ supporting staff on contractual basis. Hiring of vehicles/ Monitoring of scheme/ Purchase of vehicles will not be allowed. No permanent post will be created. Concurrent/Final evaluation by an independent agency.
<b>16</b>	Viability Price	100%	<b>Viability Price (VP) Formula:-</b> This VP for the OPY shall be the annual average price of CPO of the last 5

			<p>years adjusted with WPI and thereafter for conversion to FFB price to be multiplied by 14.3%. Every year starting with OPY from the month of 1<sup>st</sup> November, the Government of India shall declare the VP for that Oil Palm Year (OPY) by a duly constituted committee of the DA &amp; FW. <b>The Viability Gap Payment (VGP):-</b> The committee will also calculate the VGP for the payout given to the farmers for the FFB supplied to the industry. Viability gap payment shall be the VP for the oil palm year minus the FP for that particular month. The farmers already cultivating oil palm would also be considered for VGF along with future growers of oil palm .</p> <p><b>Viability Price (VP) Declaration:-</b> For assurance to the farmers for the prices of FFBs during the year, the concept of Viability Price (VP) will be declared in Oil Palm Year (OPY) – (1<sup>st</sup> November to 31<sup>st</sup> October of next year). The Government of India will declare the VP for assurance to the farmer of the payment of FFBs price starts for the OPY. The first Viability Price for the oil year of 2021- 22 will be applicable from 1<sup>st</sup> November 2021 to 31<sup>st</sup> October 2022.</p>
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## Annexure-VII

The agency wise expected availability of seedlings both from domestic and import over the years

Agency	Capacity to produce seedlings2021-22	Capacity to produce seedlings2022-23	Availabilit yof seedlings 2023-24	Availabilit yof seedlings 2025-26	Availabilit yof seedlings 2032-33
Godrej Agrovat	11	20	25	25	30
Ruchi Soya	12	16	20	20	25
Radhika Veg	2	3	3	3	5
TS Oil Fed	20	160	160	160	170
AP Oil Fed	3	4	10	20	25
3F Oil Palm	7.5	15	20	25	30
ICAR-IIOPR	12	27	30	35	40
OPIL	10	15	17	20	25
<b>Total</b>	<b>77.5</b>	<b>260</b>	<b>285</b>	<b>308</b>	<b>350</b>

\*Above target are provisional subject to change based on the need/approval and compliance of all regulatory approvals.

### Details of Seed Gardens with cost norm

(i) **Basics for establishment of seed garden:** Oil palm classified into three types of palms based on its fruit types, thick shelled *dura*, shell less *pisifera* and thin shelled *tenera* which is a cross between *dura* and *pisifera*. Oil palm *dura* used as a mother palm having dominant genotype *sh+sh+*, carries fruits with a thick shell and a thin mesocarp. For establishing an oil palm seed garden it is recommended to have 40 acres of land (30 acres for planting of *dura* (mother palms) block and 10 acres for TxT (pollen parent) block). Accordingly, the DPR has been prepared for 40 acres (14+2 ha) of land. Requirement of planting material for the approved seed garden in 40 acres is 2400 seedlings. About 150 seedlings with a provision of 7 seedlings for gap filling are required for each hectare of planting. To get 150 seedlings ready for field planting, it is better to raise 200 nos. of germinated seed (sprouts) in the primary nursery. However, ICAR-IIOPR, Pedavegi would be supplying the seedlings (both *Dura* and TxT) on payment basis (at present cost of seedling is Rs.1200/- per seedling +GST) as secondary stage nursery seedlings. Requirement of seedlings along with payment may be informed at least 18- 24 months in advance as the availability of quality germinated seeds is subjected to several factors.

**Nursery Management:** If germinated seeds are procured, then two stage nursery system should be followed. For rising the sprouts in the nursery, please refer to our technical bulletin on 'Nursery Management in Oil Palm' which will give complete details of nursery

**Planting the seedlings in main field:** Healthy seedlings of 12 months of age, with a minimum of 13-14 functional leaves and having a girth of approximately 25 cm should be field planted. Regular method of planting, equilateral triangular system with 9m x 9m x 9m spacing accommodating 143 palms per ha is recommended for oil palm seed garden. Planting should be preferably done during the monsoon and can go till the onset of summer. At the time of planting, 2 baskets (25 kg) of organic manure, 400g of SSP or 250g DAP and 50g of phorate granules can be applied. The gap in the pit should be filled with the soil and pressed firmly leaving top portion, so that the seedling bole will be 25 cm below the ground level. Soon after planting, form a basin around the plant and give copious irrigation. Recommended package of practices for basin, Irrigation, fertilizer and weed management should follow. In a seed garden, it's not advised to go for intercrops

### Hybridization

**Selection of parents:** To understand the individual palm with respect to morphological, phenological and yield related traits, it is suggested to go for recording of data on sex ratio, vegetative (number of leaves, height, girth, etc), reproductive growth (male, female, hermaphrodite flowers), yield (number & weight of bunches) from 4<sup>th</sup> year onwards. The entire process is normally called as recording of annual biometric observations. This will be done on quarterly and annually, till the selection of mother palms are completed. The bunch production gradually increases from 4<sup>th</sup> to 8<sup>th</sup> year (pre-stabilizing period). From 8<sup>th</sup> year, it is expected that the yield is stabilized, hence, data on the performance of the palms during these years should be analysed and utilised for selection of mother palms.

Data from 6th to 8th year may be used to start the process of tentative selection of parents and thereby early hybridization could be possible. The process of selecting parents especially mother palms should be continued every year even after 8th year of selection.

**Bunch analysis procedure in oil palm:** Mainly two types of oils extracted commercially from oil palm fruits, crude palm oil (CPO) from mesocarp and palm kernel oil (PKO) from kernel. Bunch (FFB) analysis in oil palm is essential for evaluation of a palm or genotype for its oil yield. Oil palm being a cross pollinated crop, performance of individual palm varies from each other and hence, assessment of individual palm is utmost important.

**A. Approx Cost for Bunch Analysis Laboratory is 32.50 lakhs**

S N	Name of the item	Purpose	Quantity	Cost ( Rs in lakh)
1	Steel rack – 6 x1.5 ft	Mesocarp drying	4	1.50
2	Weighing machine	Weighing bunches, mesocarp, kernel, nut, ground samples etc	1 each	2.00
	i)100g capacity analytical balance)			
	ii) 25Kg			
	iii)100Kg			
3	Hot air sterilizer	Drying mesocarp, nut and kernels	2	2.00
4	Micro wave oven	Drying mesocarp, kernel and pollen samples	2	1.00
5	BOD incubator	Viability/germination test of pollen	1	1.00
6	Soxhlet unit	Oil estimation	2	0.50
7	Refrigerator	Storage of pollen, chemicals etc	2	2.00
8	Deep freezer (-20°C)	Pollen Storage	1	1.50
9	Chipping Machine	Chipping	2	1.00
10	Lab establishment	For bunch analysis	1	20.00
Total				<b>32.50</b>

**Selection standards of parent palms for commercial D x P seed production**

Requirements differ depending on the type of materials used and source of parent palms for commercial DxP seed production. Material of both unknown pedigree and performance should not be used for commercial DxP seed production. The bunch parameters especially oil to mesocarp, kernel to mesocarp and oil to bunch are to be estimated by bunch analysis procedure. With respect to planting materials of both known pedigree and performance the following criteria may be followed for selection of parent palms.

**The minimum standards required for the Dura parent palms are:**

- Fresh fruit bunch (FFB) yield, min : 200 kg/palm/year
- Mesocarp to fruit (MF), min : 60-80 %
- Shell to fruit (SF), max : < 30 %
- Oil to dry mesocarp (O/DM), min : 70-80%
- Oil to bunch (O/B), min : 16-18%

**The minimum standards required for the Tenera in the Progeny test are as follows:**

- Fresh fruit bunch (FFB) yield, min. : 200 kg/palm/year.
- Oil to bunch (O/B), min : 24%
- Kernel to bunch (K/B), min : <10%

Preparation of male and female inflorescence, Pollination, Hybrid seed extraction, Seed treatment and Dormancy breaking and germination as per the standard protocols.

**B. Approx Cost for seed processing Laboratory: Rs. 46.50 lakhs**

S N	Name of the item	Purpose	Quantity	Cost (lakh)
1	Heating chamber			
	1.1 Heaters	Seed Dormancy breaking	2	1.00
	1.2 Racks etc	Seed Dormancy breaking	10	3.00
2	Steel rack-6x1.5ft	Seed drying	4	1.5
3	Weighing machine			
	3.1 100 kg	Weighing bunches	2	0.50
	3.2 1 Kg	Weighing mesocarp, kernel, nut	2	0.25
	3.3 250 g	ground samples etc	2	0.25
4	De-pericarper	Pericarp separation	2	2.00
5	Hot air oven / sterilizer	Drying seed to analyse seed moisture content	2	4.00
6	Incubators	Seed moisture content analysis	2	2.00
7	Plastic ware, buckets, trays etc	Seed Processing	As Required	1.00
7	Miscellaneous equipments	Mixer, grinder, heating mantle and others	As required	5.00
8	Vehicle	Bunch transport	1	6.00
9	Seed lab	Seed processing	1	20.00
		<b>Total</b>		<b>46.50</b>

**C. Approx Cost for seed germination Laboratory: Rs. 21.00 lakhs**

S N	Name of the item	Purpose	Quantity	Cost (lakh)
1	Racks	Seed germination	10	3.00
2	Dehumi difier	To maintain humidity	1	0.50
3	Air conditio ner	To maintain cool temperature	4	3.50
4	Glass chamber	For germination	1	14.0 0
		<b>Total</b>		<b>21.0 0</b>

**Total Cost of Expenditure (A+B+C) = 100.00 lakhs**

The expenditure is calculated for a well maintained and managed oil palm seed garden by considering all crop growing factors as normal. The returns are projected based on the current market price and demand. The expenditure may further reduce by using molecular assisted technology for fruit form identification

(ii) **Basics of the oil palm seedlings in nursery :**Oil palm (*Elaeis guineensis* Jacq) is mainly propagated by seedlings which are raised in double stage nursery for 12 months *i.e.*, primary stage with 4 months under shade net structure and secondary stage for 8 months in open condition. The main source of the planting material in oil palm is seed sprouts which are produced either indigenously or directly imported from other countries. Direct planting of germinated oil palm seeds in the field is not recommended for the fear of insect/rodent damage and lack of genetically uniform stand subsequently. So, the nursery is inevitable in oil palm as it lays the foundation for successful and fruitful plantations in the country.

The main objective of nursery is to produce vigorous and healthy seedlings having the potential for higher yield. There is a great need for intensive care during the nursery period to have maximum growth as leaf area of the seedlings is directly related with fresh fruit bunch yield in plantation. So, any shortcoming in planting material and improper care during the nursery may lead to unproductive or under productive palms in farmers' plantations. Therefore, production of superior quality seedlings mainly depends on planting of good quality seed sprouts, proper nursery management and finally effective roughing/culling of abnormal seedlings.

**Cost components used for estimation of cost of oil palm nursery.**

The following are the components used for estimation of cost for raising oil palm nursery for 12 months duration. Cost components or parameters are broadly categorized into basic materials, fixed/establishment cost and variable/recurring cost.



### **Basic materials/consumables**

**Planting material:** Germinated oil palm seed sprouts either indigenous or imported ones are used for raising nursery. Actual cost of sprouts and transport charges are to be included for indigenous seed sprouts while for imported seed sprouts, import duty and handling charges can be taken into account. Five per cent extra seed sprout supply has to be taken into account while estimating the cost.

**Growing medium:** Combination of tank silt and any organic manure is mainly used as growing medium. In addition, neem cake needs to be added to the medium for controlling incidence of soil borne pests. Cost includes price of soil, organic manure/compost, neem cake and their quantity, loading and transport charges.

**Polythene bags:** Low cost recycled black coloured poly ethylene bags are used. Price of polythene bags and transport charge can be taken into account for cost calculation.

**Inorganic fertilizers:** Di-ammonium phosphate (DAP), NPK (17:17:17/19:19:19) complex fertilizers are normally used for 10 months *i.e.*, from 2<sup>nd</sup> to 11<sup>th</sup> month. Cost includes type of fertilizers, quantity, price of fertilizers and handling charges. Application of Mg SO<sub>4</sub> and borax is need based.

**Pesticides:** Normally recommended insecticides, fungicides and herbicides are used for controlling diseases and insect pests and weeds in the nursery. Type of pesticides, quantity, price of pesticides and their transport charges have to be included in cost calculation.

**Mulching material:** Oil palm empty fruit bunch (EFB) fibre, saw dust, rice husk, coconut fibre and dry grass can be used for mulching in bags during the secondary stage of nursery. Cost includes type of mulch, quantity, price of mulch and transport charges.

**Fuel for generator:** Here, cost includes price of diesel, quantity and transport charges.

### **B. Fixed/establishment cost components**

**Land preparation, lay out and roads/paths:** Charges for land preparation by removing trees, bushes and weeds, ploughing and leveling of the land by engaging tractor, dividing of area into different blocks and laying of approach roads or paths for the movement of vehicles and nursery staff can be accounted and the amount spent on this should be equally distributed over 10 years and only cost per annum can be included in estimation.

**Irrigation system:** Cost includes installation of sprinkler/drip system of irrigation in an area of 13.5 acres. Life of the irrigation system can be taken for 10 years, so expenditure on irrigation system can be distributed equally over 10 years.

**Shadenet house/pandal:** Shadenet house or pandal is required for raising oil palm seedlings during the primary stage of nursery and 1500m<sup>2</sup> area is needed for raising one lakh seedlings. Life of shadenet pandal should be taken as 10 years and the amount spent on this structure can be distributed over 10 years.

**Motor, electrical fittings and water pumping system:** Price of electric motor, cabling, electric panel board and rain proof shelter for panel board, water filtration unit *etc* have to be considered for cost calculation. Life of above items can be taken as 10 years and money can be distributed equally for 10 years.

**Office room cum storage shed:** Low cost or semi permanent shed is required for staying nursery staff, resting of casual workers, keeping of nursery tools and appliances, temporary storage of fertilizers, pesticides, fuel etc. Money spent on construction of the shed and life

(10yrs) of the structure has to be taken into account for cost estimation.

**Security cabin and gate:** Here, cost includes amount spent on making of semi permanent security cabin and fixing of gate.

**Generator/solar power pump set:** Generator/solar power pump set is compulsory to meet water demand of oil palm nursery as nurseries are located in rural areas/isolated places, frequent power cuts and change in timings of power supply. Life of generator/solar pump set can be taken as 10 years and cost of it can be distributed equally over 10 years.

### **C. Variable/recurring cost components**

**Nursery operations:** Quality of oil palm seedlings mainly depends on carrying out good nursery management practices in scheduled time. Management of nursery includes various operations viz. preparation of nursery site, preparation of growing medium by mixing soil and organic manure, filling of poly bags with growing medium, transporting of filled bags to exact nursery spot, proper arrangement of bags, planting of seed sprouts, shifting of primary seedlings to the secondary nursery spot, transferring of primary seedlings on to secondary bags, regular watering, periodical application of fertilizers and pesticides, periodical weeding in bags, inter space and around the nursery, preparation of seedlings by removing dry leaves, tilting of bags three weeks in advance of distribution, loading of seedlings onto tractor/truck, disposal of abnormal seedlings and removal of bags wherein seedlings are died. Here, cost includes labour charges for carrying out above mentioned activities and actual cost should be worked out based on the nature of work, quantity of work, activity frequency (watering, weeding, fertilizer & pesticide application) and area of work.

**Man power:** Man power cost includes salary of permanent nursery staff *i.e.*, nursery manager, technical person, supporting persons and watch and ward. Planning, monitoring and supervision of nursery operations, procurement of inputs, observations on growth and health of seedlings, management of nursery operations as per the schedule, culling of abnormal seedlings, proper disposal of discarded seedlings, receiving, explanation and accompanying visitors, maintenance of registers and fixed assets, security of the nursery round the clock etc.

**Electricity charges:** Here, cost includes electricity charges paid at monthly interval.

**Repair and maintenance of fixed assets:** Charges for repair and upkeep of fixed assets as and when required can be taken into account for cost calculation.

**Payment for PEQ team:** Cost includes TA and DA and honorarium for periodical visits of Post Entry Quarantine team for monitoring of pest incidence in oil palm nursery.

**Miscellaneous expenditure:** Cost includes price of bio-fertilizers and bio-pesticides and their application charges, charges for fixing of metal boards and display of needed information on boards at each block, purification of water, unexpected expenditure as and when required etc.

**Mortality of sprouts and seedlings:** Due to faulty planting of sprouts and serious pest incidence, death of seedlings prior to emergence of sprout and after emergence of one or two leaves is common in oil palm nursery during the primary stage. On average, mortality is about 5% for indigenous as well as imported stock. Only the expenditure incurred on raising 5,000

seed sprouts during the primary nursery stage can be taken into account for calculation of cost since 5% mortality is compensated by 5% extra seed sprout supply.

**Abnormality of seedlings:** Roughing or culling of genetically abnormal seedlings is an important and compulsory practice to avoid the loss to the farmer/grower in future. In addition to genetically abnormal seedlings, badly affected ones by pests and nutrient deficiency have to be removed and this is about 10% both in indigenous and imported seedlings. Here, the cost includes price of seed sprouts and expenditure made on 10,000 seedlings during the nursery period.

## Annexure IX

### Details of Seed Nursery with cost norms

Land lease, shade net pandal, irrigation system, digging of farm pond, generator/solar pump set, semi permanent structures like office cum storage shed etc. are components required for development of nursery area of 15 acres for raising one lakh oil palm seedlings. Considering the price variations and geographical locations in different oil palm growing states, approximate price prevailed during the year 2021 is followed for cost calculations of all the components. The item wise particulars are furnished in the following Table.1.

**Table 1:** Cost of establishing oil palm nursery for raising one lakh seedlings.

S. No.	Particulars	Amount (Lakhs)
1	Land lease-15acres.	8,25,000
2	Land preparation, roads and paths.	1,50,000
3	Shade net pandal for primary nursery-1500m <sup>2</sup>	7,50,000
4	Installation of drip irrigation system for secondary nursery-13.5acres.	13,50,000
5	Pond excavation with HDPE lining, pump and other accessories.	3,00,000
6	Generator/solar pump set.	8,00,000
7	Office room cum storage shed, security cabin and gate.	5,00,000
8	Miscellaneous (nursery tools & appliances, metal boards, furniture etc.) items.	3,25,000
	<b>Total</b>	<b>50,00,000</b>

## Annexure-X

### The basic qualifications and experiences required for Consultants /Young professional/ DEO/MTS at National Level.

Level and post	Educational Qualification & Experience	Honorarium (Rs./Month)	Conveyance / Travelling Allowance (Rs./Month)	Daily Allowance (Rs./Day)
<b>A. National Level</b>				
National Consultants (2)	<ol style="list-style-type: none"> <li>1. Doctorate Degree in Agronomy / Agriculture Extension / Soil Science / Plant Breeding/Crop Improvement / Plant Protection / or any other agricultural subject or M. Tech in Agricultural Engineering with minimum 15 years of field experience Agriculture/Horticulture/Plantation crop production/Agriculture mechanization. In case of departmental candidate having at least 5 years working experience in relevant field as Deputy Commissioner or above.</li> <li>2. Ability to analyze data and preparation of projects, writing reports/seminar notes/articles as evidenced by publication in national and international journals.</li> <li>3. The person should have the ability of team leadership &amp; motivation.</li> <li>4. Maximum Age Limit 65 years or as per instruction of the Department. Suitable candidates beyond 65 years of age will also be considered with approval of NMEO-OP-GC.</li> </ol>	90,000	4,000	TA and other items as per GoI rules (Equates to Grade "A" Gazetted Officer)
Young Professional (1+2=3) (One IT background & remaining from Agriculture Business Management)	<ol style="list-style-type: none"> <li>1. YP-I, B. Tech in Computer Science/MCA/ BE (Computer Science) &amp; two year working experience in relevant field (Website developer, programming and AAP developing <i>etc.</i>).</li> <li>2. YP-II, Bachelor degree in Agriculture followed by M.sc. Ag/ Agri Business Management (two years programme) MBA in Agri. Business <i>etc.</i> and two year experience in relevant field.</li> <li>3. Ph.D. Research Scholar and working in field of Oil palm cultivation will be given preference.</li> <li>4. The criteria of essential qualification may be relaxed to Departmental experienced personnel by competent</li> </ol>	60,000	3,000	As per GoI rules (Equates to Grade "B" Gazetted Officer)

	authority.			
Data Entry Operator(DEO) (5)	<ol style="list-style-type: none"> <li>1. Graduate with six months computer course. Well versed with MS Word, Excel, PPT and Access GIS <i>etc.</i></li> <li>2. Minimum 2 years' experience in relevantfield of work.</li> </ol>	30,000	1,000	As per GOI rules (Equates to Grade“C” Officer)
Multi Tasking service (5)	<ol style="list-style-type: none"> <li>1. Matriculate</li> </ol>	22,000	1,000	As per GOIrules (Equates toGrade “D” Officer)

## Annexure-XI

**The basic qualification, experience, honorarium of consultant/Technical Assistance/ DEO at State Level.**

Level and post	Educational Qualification & eXperience	Honorarium(Rs./Month)	Conveyance / Travelling Allowance (Rs./Month)	Daily Allowance (Rs./Day)
<b>A. State Level</b>				
Consultants (1)	<ol style="list-style-type: none"> <li>1. Doctorate Degree in Agronomy/ Agriculture Extension/ Soil Science /Plant Breeding/ Plant Protection /Agriculture Engineering/or any other agricultural subject having at least 10 year of filed experience Agriculture/Horticulture/Plantation on crop production or in case of departmental experienced personnel, qualification may be relaxed by the NMEO-OP-EC.</li> <li>2. Ability to analyze data and preparation of projects, writing reports/seminar notes/ articles as evidenced by publication in national and international journals.</li> <li>3. The person should have the ability of team leadership &amp; motivation.</li> </ol>	65,000	3,000	200 (for 10 days in a month) or as per state rules
Technical Assistant (1)	<ol style="list-style-type: none"> <li>1. Master Degree in Agriculture with specialization in management of Agriculture/Horticulture/Plantation on crop production. Knowledge of computer essential.</li> <li>2. Person with experience of research and extension will be given preference.</li> </ol>	40,000	2,500	150 (for 10 days in a month) or as per state rules
Data Entry Operator(DEO) (1)	<ol style="list-style-type: none"> <li>1. Graduate with six months computer course. Well versed with MS Word, Excel, PPT and Access GIS <i>etc.</i></li> <li>2. Minimum 2 years' experience in relevant field of work.</li> </ol>	30,000	1,000	150 (for 10 days in a month) or as per state rules

**Annexure-XII****The basic qualifications and experiences required for Technical Assistant/ DEO at District Level**

<b>Level and post</b>	<b>Educational Qualification &amp; eXperience</b>	<b>Honorarium(Rs./Month)</b>	<b>Conveyance / Travelling Allowance (Rs./Month)</b>	<b>Daily Allowance (Rs./Day)</b>
<b>A. District Level</b>				
Technical Assistant (2)	<ol style="list-style-type: none"><li>1. Bachelor degree in agriculture with computer skills. In case of non- availability of agriculture graduates, candidates with Bachelor degree in sciences may be considered.</li><li>2. Person with experience of research and extension will be given preference.</li></ol>	35,000	1,500	150 (for 10 days in a month) or as per state rules
Data Entry Operator(DEO) (2)	<ol style="list-style-type: none"><li>1. Graduate with six months computer course. Well versed with MS Word, Excel, PPT and Access GIS <i>etc.</i></li><li>2. Minimum 2 years' experience in relevant field of work.</li></ol>	25,000	1,000	150 (for 10 days in a month) or as per state rules



**The details of viability price, formula price and viability gap price calculation and its illustrations**

**1. Industry Payment in Rest of India, NER and Andaman & Nicobar Islands:**

- I. The minimum industry payment from 1<sup>st</sup> November 2021 shall be 14.3% of the monthly CPO price. Industry will pay based on 14.3% of the average monthly price of CPO from 1<sup>st</sup> November 2021 to 31<sup>st</sup> October 2028. This payment by the industry shall increase by 0.25 % during next every three years from 1<sup>st</sup> November 2028, till 31<sup>st</sup> October 2037.
- II. To give impetus to the North East (NER) and Andaman & Nicobar Islands (A&N), specially because of the existing terrain, tough conditions and need for investment, the industry instead of FFB payment of 14.3 % of CPO price from 1<sup>st</sup> November 2021, shall start with a payment of 12.3 % of CPO price and Government of India will pay the differential 2 % of CPO price , as special NER and A&N Islands payment, to ensure that the farmers of the NER and A&N Islands are paid at par with the rest of India. This payment by the industry as % of CPO in NER and A&N Islands shall increase by 0.5 % on every three years till 1<sup>st</sup> November 2037, while for NER and A&N Islands, special payment by Government of India shall reduce from 2 % to 0 % by 2037.
- III. From 1<sup>st</sup> November 2037, the farmers will be paid 15.3% of CPO as FFBs Price.
- IV. Presently through the Oil Palm Acts/ Regulations/Orders, State Governments are fixing the price for the FFBs which is paid by the industry to the farmers. In case States do not adopt the industry payment approved in this scheme, they shall be at liberty to continue with their own payment system, and in such a case the industry will be mandated to pay the State mandated price.
- V. To ensure that State do not fix arbitrary prices, which hampers investment in the oil palm sector, it is approved to put a condition that payment of VGF or special NER payment by GOI shall be applicable only if the states adopt the formulation of payment of FFB price of the scheme. For this the states adopting the approved scheme payment pattern by the industry, they will sign a memorandum of Understanding (MOUs) with the Government of India for the same .
- VI. The VGF and special payments to NER/A&N Islands A&N payout whenever due to the farmers is approved to be paid by DBT directly in the farmers account. As this is a support mechanism for the farmers, it is approved that 100% VGF & Special payments for NER and A&N Islands is made by the Government of India.

**2 Viability Gap Payment (VGP):**

The VGP shall be the payout given to the farmers for the FFB supplied to the industry. This shall be calculated on monthly basis during the Oil Palm Year (OPY). This viability gap payments shall be the VP for the oil palm year minus the formula price for that particular month. From, 1<sup>st</sup> Nov 2021 to 31<sup>st</sup> Oct 2028, Government of India shall pay 100% difference between the VP and the FP price for a particular month in case it is positive. Thereafter, every 3 years (1<sup>st</sup> Nov 2028 to 31<sup>st</sup> Oct 2031; 1<sup>st</sup> Nov 31 to 31<sup>st</sup> Oct 2034 and 1<sup>st</sup> Nov 2034 to 31<sup>st</sup> Oct 2037), the payment will decrease by 25 % to reach landed CPO price in 2037 at sunset stage.

**a) Oil Palm Year**

The Oil Palm Year (OPY) is considered from 1<sup>st</sup> November till 31<sup>st</sup> October of next year.

#### **b) Crude Palm Oil Price (CPO) and Formula Price**

- (i) At present the Kandla port handles around 35% of the landed CPO and the prices of Kandla port is a major factor for the CPO market. The major CPO is traded in the MCX exchange for delivery at Kandla. Analysis of MCX traded CPO price with AP Government price shows that Kandla price is 1.5 % more compared to the AP price.
- (ii) Thus, it is approved to define the CPO price for this scheme as CPO price for Kandla delivery traded on MCX moderated on a lower side by 1.5 %.

**Formula price = 14.3% of CPO price.**

### **3. Viability Price**

For the assured payment to the farmers, for the prices of FFBs during the Oil Palm Year (OPY), which is considered from 1<sup>st</sup> November till 31<sup>st</sup> October for next year, the viability Price (VP) shall be declared in November of each year. **This VP of FFBs per tonne shall be 14.3% of the annual average price of CPO of the last 5 year adjusted with wholesale price index (WPI) of all India.** Every year starting with OPY from the month of 1<sup>st</sup> November, the Government of India shall declare the VP for that OPY by a duly constituted committee of the Department of Agriculture & Farmers Welfare. Through declaration of this VP, the farmers will know at the beginning of the year the price they will be paid for their produce of FFBs.

#### **4. Formula Price**

The Formula price will be arrived on the basis of average monthly landed CPO price. Therefore, the formula price will be average monthly (of the preceding month) landed CPO price multiplied by a multiplication factor 14.30%, as applicable in case of the Viability Price. The Formula price would be used for the calculation of viability gap funding calculation in every month.

#### **For Wholesale Price Index (WPI),**

- The all India WPI data will be obtained from office of the Economic Adviser, Department of Commerce presently available at <https://eaindustry.nic.in> and calculation of WPI adjusted with traded CPO price of Kandla port at MCX portal.
- Based on this all India average of WPI (all Commodities) 5 years average of CPO price, WPI adjusted, shall be calculated as per the following illustration:

For the year 2021-22, price shall be declared based on average of the prices in 2016-17 adjusted by 4 years till 2020-21 by WPI, plus 2017-18 price adjusted with WPI for 3 years, plus 2018-19 price adjusted by WPI for 2 years, 2019-20 price adjusted by WPI for one year and 2020-21 price. This 5-year average CPO price adjusted with WPI shall be multiplied by 14.3% to calculate the annual Viability price for the FFBs for the oil palm year.

#### **Viability Gap Payment (VGP):**

The Industry pays the farmers for their FFB produce based on the monthly prices fixed for the FFBs. **If the payment to farmers by the industry is below the VP, the Government will provide a VGP to ensure that the farmers payment reaches the VP.** In this scenario, the farmer would be entitled for

payment of VGP, which shall be the VP for the Oil Palm Year (OPY) minus the Formula price (FP) for that particular month, in case the farmers payment by the industry is less then VP. The VGP from, 1<sup>st</sup> Nov, 2021 to 31<sup>st</sup> Oct, 2028, shall be 100% difference between the VP and the FP price for a particular month. Thereafter, every 3 years (1<sup>st</sup> Nov, 2028 to 31<sup>st</sup> Oct, 2031; 1<sup>st</sup> Nov, 2031 to 31<sup>st</sup> Oct, 2034 and 1<sup>st</sup> Nov, 2034 to 31<sup>st</sup> Oct, 2037), will decrease by 25 % to reach landed CPO price in 2037. **There will be no VGP liability for the Government from 1<sup>st</sup> November 2037.**

#### A. Summary

In summary based on the above analysis, in case the states adopt the payment pattern of the scheme, the payment by GoI and Industry shall be as follows:

Oil Year	Minimum Payment schedule by industry to farmers ( as % of CPO )		Difference to be paid by GoI to the farmers	
	Rest of India	N E states & A & N Islands	Difference to be paid by GOI in North East states & (A & N) Islands for parity with ROI	Payment of VGP by GOI to farmers as (Viability price-Formula price)
1st Nov 21 to 31st Oct 28	14.30	12.30	14.30-12.30=2%	(Viability price-Formula price)x 100%
1st Nov 28 to 31st Oct 31	14.55	13.05	14.55-13.05=1.5%	(Viability price-Formula price)x 75%
1st Nov 31 to 31st Oct 34	14.80	13.80	14.80-13.80=1.0%	(Viability price-Formula price)x 50%
1st Nov 34 to 31st Oct 37	15.05	14.55	15.05-14.55=0.5%	(Viability price-Formula price)x 25%
1st Nov 37 onwards	15.30	15.30	15.30-15.30=0%	0

*\* Subject to the condition that together with industry payment and NER and A&N Islands special payment by GOI, it does not exceed the viability price declared by the GOI.*

In case States do not adopt the industry payment pattern of the scheme, then industry shall pay the state mandated price and in such a case, neither VGF or special NE payment shall be payable by GoI.

Though the funding for the approved NMEO (OP) for five years has been kept till

2025-26, since the sunset clause will be from November, 2037, thus the Government of India liabilities would continue till that time for the scheme as applicable. The farmers already cultivating oil palm would also be considered for VGF along with future growers of oil palm so that the confidence in the farmers is enhanced to go for oil palm cultivation.

(g) **MOU between State and Central Government:** If the State is ready to adopt the approved payment pattern of FFBS, states have to sign MOU with the Government of India.

(h) **Viability Price Fixation Committee (VPFC):-**

The Viability Price Fixation Committee (VPFC) of Fresh Fruit Bunches (FFBs) of Oil Palm has been constituted under the Chairmanship of Additional Secretary, Department of Agriculture & Farmers Welfare to declare Viability Price in every Oil Palm Year (OPY)(1<sup>st</sup> Nov to 31<sup>st</sup> Oct of next year). The composition of the Committee is given below:

S . N o .	Constitution of the committee	Status
1	Additional Secretary of DA&FW (Senior most)	Chairman
2	Managing Director, MCX or his representative	Member
3	Adviser (Trade), DA&FW	Member
4	Adviser (Costs), DES	Member
5	Joint Secretary (Customs)	Member
6	Joint Secretary (Capital Markets, DEA)	Member
7	Director (Finance), DA&FW	Member
8	Joint Secretary (Crops/Oilseeds)	Member Secretary

**Terms of References (ToRs) of the Committee are given below:**

- To declare the VP on 1<sup>st</sup> November of every year starting from 1<sup>st</sup> November 2021 based on the formulation approved by the Cabinet. (copy enclosed)
- To maintain data of CPO price on a regular basis for distribution to the relevant authorities.

Order of constitution of Viability Fixation Committee is given as **Annexure-XV**

Annexure-XIV

**Memorandum of Agreement Between**

*Government of India*

*Ministry of Agriculture & Farmers Welfare*

**Department of Agriculture & Farmers Welfare National**

**Mission on Edible Oils – Oilpalm (NMEO-OP)**

*And*

**State Agriculture / Horticulture Department, State/UT of \_\_\_\_\_**

*And*

**Scheduled Commercial Bank (Date) \_\_\_\_\_, 2021**

*[Ref: DA&FW F.No.2-4/2021-CA-II (101830)]*

NMEO-OP, DA&FW  
Govt. of India

ACS/ Prl. Secy./ Secy.  
....., STATE DEPT OF AGRICULTURE/HORTICULTURE ....., Bank

Branch Manager

## Memorandum of Agreement

**THIS MEMORANDUM OF AGREEMENT** made at New Delhi on the day of \_\_\_\_\_, 2021.

### ***BETWEEN***

**The President of India** acting through the Secretary, Department of Agriculture & Farmers Welfare, Ministry of Agriculture & Farmers Welfare, Government of India having office at Krishi Bhawan, Dr. Rajendra Prasad Road, New Delhi-110001, hereinafter referred to as the "**NMEO-OP, DA&FW, MoA&FW**" (which expression shall, unless repugnant to the context or meaning thereof, include his successors in Office) **OF THE FIRST PARTY**

### ***AND***

**State Department of Agriculture/Horticulture**, Govt. of \_\_\_\_\_ (Name of State)/ Administration of \_\_\_\_\_ (Name of UT) having its office at \_\_\_\_\_ hereinafter referred to as "**State Department**" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) **OF THE SECOND PARTY**

### ***AND***

\_\_\_\_\_, a scheduled commercial bank, and having its Head Office at \_\_\_\_\_ And one of its Regional Offices at \_\_\_\_\_ hereinafter referred to as "**Bank**" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) **OF THE THIRD PARTY**

***(NMEO-OP, DA&FW, MoA&FW; State Department and Bank collectively here in after referred to as the parties)***

### **WHEREAS**

- (i) A new Centrally Sponsored Scheme NMEO (Oil Palm) is launched in the next five years (2021-22 to 2025-26) to support Oil palm and edible oil sector in the country.
- (ii) The Government of India and State share for Rest of India and North East states will be in the ratio 60:40 and 90:10 respectively.
- (iii) There is a provision for 100% funding from the Government of India for the Viability Gap Payment and for the special payment component for NE states and Andaman and Nicobar Islands. The Scheme will be launched till 2025-2026 and the payment of the Viability gap

NMEO-OP, DA&FW  
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Branch Manager

funding and special payment for North East and Andaman and Nicobar Islands will be till 31<sup>st</sup> October 2037.

- (iv) The total cost for the schemes of NMEO-OP may be approved for Rs. 11,040 crore with Rs. 8844 crore as Government of India share and Rs 2196 crore as State share as per the following details:-

**Year wise allocation under NMEO (OP) during next five years**

(` in Cr)

S.No.	States	Year	GOI Share	State Share	Total
1	ROI	2021-22	303	202	505
2	NE states and ANI		521	58	579
3	ROI	2022-23	601	294	895
4	NE states and ANI		784	87	871
5	ROI	2023-24	700	298	998
6	NE states and ANI		1047	116	1163
7	ROI	2024-25	848	353	1201
8	NE states and ANI		1364	151	1515
9	ROI	2025-26	1108	463	1571
10	NE states and ANI		1568	174	1742
11	Total ROI (60:40)		3560	1610	5170
12	Total NE states (90:10) and ANI		5284	586	5870
13	Total (ROI+NE and ANI)		8844	2196	11040

- (v) For the release of Central and States' share for this scheme, in relaxation of the extend guidelines, an escrow account mechanism shall be adopted. Both the GoI and State share of funds shall be transferred to the escrow account. The Secretary, DA&FW would be authorized to release upto two installments of 25% each to States without insisting on release of State's share.

**NOW THEREFORE THIS AGREEMENT WITNESSTH THAT:**

**1. RIGHTS AND OBLIGATIONS OF STATE DEPT OF AGRICULTURE/HORTICULTURE**

- i.) The State Government/ UT Administration through STATE DEPT OF AGRICULTURE/HORTICULTURE hereby:
- a.) Undertakes to take all such steps as may be deemed necessary for smooth implementation of NMEO-OP strictly as per operational guidelines for the implementation of NMEO-OP and other guidelines/ rules/ instructions issued from time to time by the NMEO-OP, DA&FW, MoA&FW for utilizing the Central/State grants-in-aid, provided by NMEO-OP, DA&FW, MoA&FW and respective State Governments/ UT Administration;



- b.) undertakes to adhere to the policy specified at 'Annex-II' for making any expenditure from the ESCROW account;
- c.) undertakes to ensure timely transfer of corresponding State share within 40 days of the Central release or as per the extant guidelines issued by the Ministry of Finance (MoF), Government of India, from time-to-time, to the 'escrow account' against the Central grants-in-aid made available for the State by NMEO-OP, DA&FW, MoA&FW;
- d.) agrees to allow NMEO-OP, DA&FW, MoA&FW/ State Govt./ UT Administration to verify/ cause to verify/ audit of its books of accounts, vouchers, papers, document(s), etc., and any other financial/ non-financial document(s) of STATE DEPT OF AGRICULTURE/HORTICULTURE pertaining to the Central/ State fund for NMEO-OP and its utilization;
- e.) undertakes to submit such information/ documents relating to the grants-in-aid/ loan for implementation of NMEO-OP as may be required by NMEO-OP, DA&FW, MoA&FW;
- f.) agrees to execute/ cause to execute such supplementary documents as required by NMEO-OP, DA&FW, MoA&FW to carry out its obligations under this agreement;
- g.) agrees to submit to NMEO-OP, DA&FW, MoA&FW the details of funds released under NMEO-OP and its utilization and progress. Utilization of funds by States/Uts and progress of work will be monitored by NMEO-OP, DA&FW, MoA&FW;
- h.) undertakes to ensure that all financial transactions are routed through Public Finance Management System (PFMS);
- i.) undertakes to maintain and update from time-to-time the communication details of the parties of this tripartite agreement and intimate the same to NMEO-OP, DA&FW, MoA&FW;
- j.) to ensure transfer of available fund of NMEO-OP with SNA of STATE DEPT OF AGRICULTURE/HORTICULTURE as well as with State treasury to the escrow account of STATE DEPT OF AGRICULTURE/HORTICULTURE opened/ operationalized indicating the Central and States share separately, under intimation to the NMEO-OP, DA&FW.
- k.) the NMEO-OP funds released to the State Government/ UT Administration to be transferred to the ESCROW account;
- ii.) As per the Ministry of Finance (Department of Expenditure)'s OM No. 1(13)/PFMS/FCD/2021 dated 30.06.2021, total interest accrued/ earned out of the funds received in the Escrow account (both from the Central Government and State

Governments/ UT Administration) in the preceding financial year, shall have to be computed in the 1st week of April each year. The interest earned will be apportioned by Escrow account between the Central and State Governments/ UT Administration as per the approved funding pattern of NMEO-OP and shall be deposited in the respective Consolidated Funds. For the Central Government, the amount shall be deposited in the Major Head 0049, Sub Major Head- 01, Minor Head 800 (i.e. 0049-01-800) by the States and in the Major Head 0049, Sub-Major Head- 02, Minor Head 800 (i.e. 0049-02-800) by the UTs with Legislature.

Further, Addl. Chief Secretary/ Principal Secretary/ Secretary of STATE DEPT OF AGRICULTURE/HORTICULTURE shall furnish an undertaking to NMEO-OP in the proforma at Annex-III, every year before the release of 1st installment of funds under NMEO-OP.

## **2. RIGHTS AND OBLIGATIONS OF THE BANK**

- i.) The Bank shall open an escrow account bearing the following title and be in the name of “National Mission on Edible Oils – Oilpalm – (the State/ UT’s name) - Escrow Account”. The account must be Savings Bank Account. The Parties further agree that the account shall be denominated in Indian Rupees.
- ii.) The bank shall get on boarded with PFMS through necessary registration so that all transfers made by the Central and State Governments/ UT Administration in the account and all payments made from this account get linked with the PFMS and get reflected in there ports;
- iii.) Strictly as per the policy specified at ‘Annex-II’, the Bank shall release the fund to the vendors/ actual executors of the works, etc., registered with PFMS, under NMEO-OP, as per the directions of signatories of STATE DEPT OF AGRICULTURE/HORTICULTURE, who are duly authorized by the State Governments/ UT Administration to utilize/ release/transfer offund;
- iv.) To ensure all the financial transactions are routed through Public Finance Management System (PFMS);
- v.) Any such modifications to the terms and conditions of sanction approved by the NMEO-OP, DA&FW, MoA&FW and respective State/ UT shall have the overriding effect over any prior sanctions received from the Officer of STATE DEPT OF AGRICULTURE/HORTICULTURE;
- vi.) As per the Ministry of Finance (Department of Expenditure)’s OM No. 1(13)/PFMS/FCD/2021 dated 30.06.2021, total interest accrued/ earned out of the funds received in the Escrow account (both from the Central Government and State

Governments/ UT Administration) in the preceding financial year, shall have to be computed in the 1st week of April each year. The interest earned will be apportioned by Escrow account between the Central and State Governments/ UT Administration as per the approved funding pattern of NMEO-OP and shall be deposited in the respective Consolidated Funds. For the Central Government, the amount shall be deposited in the Major Head 0049, Sub Major Head- 01, Minor Head 800 (i.e. 0049-01-800) by the States and in the Major Head 0049, Sub-Major Head- 02, Minor Head 800 (i.e. 0049-02-800) by the UTs with Legislature;

vii.) The Parties can terminate this account services by providing 30 days prior notice.

### **3. RIGHTS AND OBLIGATIONS OF NMEO-OP, DA&FW, MoA&FW**

- i.) Definition of the suitable policy of the utilization of fund, viz. 'Annex-II' and making changes in it, if any, from time to time as per the requirement of NMEO-OP, DA&FW, MoA&FW and/ or directed by the Ministry of Finance, Government of India;
- ii.) NMEO-OP, DA&FW, MoA&FW shall release the Central grants-in-aid directly to the ESCROW account of the STATE DEPT OF AGRICULTURE/HORTICULTURE as far as possible and advise the State to release the matching State share against the Central fund to the ESCROW account strictly as per the extant instructions of the Union Ministry of Finance issued from time to time;
- iii.) Secretary, DA&FW would be authorized to release upto two installments of 25% each to States/UTs without insisting on release of State's share.
- iv.) Further release of the Central fund to the ESCROW Account shall not be made without ensuring release of the due matching State share for the previous release after the exhaustion of the escrow power of Secretary, DA&FW.
- v.) To ensure that release of the Central share is routed through Public Finance Management System (PFMS).

4. The Parties to this MoA may amend/ modify/ alter/ add/ delete any provision, except Annex-I & Annex-II of the agreement, with mutual consent. Annex-I & Annex-II may only be amended/modified by NMEO-OP, DA&FW, MoA&FW.

NMEO-OP, DA&FW  
Govt. of India

ACS/ Prl. Secy./ Secy.  
....., STATE DEPT OF AGRICULTURE/HORTICULTURE ....., Bank

Branch Manager

## **5. DISPUTE SOLUTION**

- i.) Any dispute, difference or claim arising out of or in connection with this agreement, which is not resolved amicably, shall be decided finally by reference to arbitration to a Board of Arbitrators comprising one nominee of each party to the dispute and where the number of such nominees is an even number, the nominees shall elect another person to such Board. Such arbitration shall be held in accordance with the Rules of Arbitration of the International Centre for Alternative Dispute Resolution, New Delhi (the "Rules") or such other rules as may be mutually agreed by the parties and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996.
- ii.) The arbitrator shall issue a reasoned award and such award shall be final and binding on the Parties. The place of arbitration shall be Delhi and the language of the arbitration proceeding shall be English.

In witness whereof, the Parties have signed this Memorandum of Agreement on the day, month and year first above mentioned.

**Signature with seal of \_\_\_\_\_,**

Secretary/Authorized representative of Secretary

National Mission on Edible Oils - Oilpalm

Department of Agriculture & Farmers Welfare

Ministry of Agriculture & Farmers Welfare

Govt. of India, New Delhi - 110001

Acting in the premises for and on behalf of and under the authority of President of India

In the presence of

1.

2.

**Signature with seal of \_\_\_\_\_,**

Additional Chief Secretary/ Principal Secretary/ Secretary, State/UT of \_\_\_\_\_

For and on behalf of State/ UT National Mission on Edible Oils - Oilpalm, State/UT of \_\_\_\_\_  
\_\_\_\_\_(Address of STATE DEPT OF AGRICULTURE/HORTICULTURE)

In the presence of

1.

2.

**Signature with seal of \_\_\_\_\_,**

Branch Manager in-charge ,For and on behalf of

\_\_\_\_\_, Scheduled Commercial Bank

\_\_\_\_\_,(Address of Bank)

In the presence of

1.

2.

\*\*\*\*

## Procedure for fund release under NMEO-OP

	Instalment	Conditions
<b>Initial Year of launching of NMEO-OP</b>	<b>First instalment</b>	<p>At the initial launching of NMEO-OP, <b>60% of the allocation</b> shall be released to States/UTs.</p> <p>The unspent balance with States/UTs under National Food Security Mission (Oilpalm) –NFSM (OP) shall be refunded by the States/UTs to the Consolidated Fund of India.</p> <p>The committed liabilities, if any, for physical works already completed shall be settled under NMEO-OP.</p>
	<b>Second instalment/ Subsequent instalment</b>	Remaining funds shall be released upon utilization of 60% of available Central fund released as first instalment and corresponding State matching share.
<b>Subsequent Year(s) of launching of NMEO-OP</b>	<b>First instalment</b>	<p>Upon submission of UCs (12-C format) and physical-financial report of the previous year, <b>upto 60% of the allocation minus USB of previous year</b> shall be released to States/UTs.</p> <p>Committed liability, if any, for the works already completed in the previous year shall be indicated separately in the physical-financial report.</p>
	<b>Second instalment/ Subsequent instalment</b>	Remaining funds shall be released upon utilization of 60% of available Central fund released as first instalment and corresponding State matching share.
<b>Additional grant, viz. Viability Gap Payment, Special Fund, Performance incentive, etc.</b>		As per operational guidelines/extant instructions.

**General terms and conditions for release/ transfer/utilization of funds through escrow account for implementation National Mission on Edible Oils-Oilpalm**

The Secretary, DA&FW would be authorised to release upto two instalments of 25% each to States/UTs without insisting on release of State's share.

Instalment	Conditions	% of release
<b>First release to the Escrow Account</b>	60% of available central expenditure without insisting on State's share	25% of the annual action plan for the State/UT.  If the State has committed liability against the physical works completed, then the release percentage to the escrow account will be 25% of annual action plan including committed liability.
<b>2<sup>nd</sup> release to the Escrow Account</b>	60% of available central expenditure without insisting on State's share	25% of the annual action plan for the State/UT.  If the State has committed liability against the physical works completed, then the release percentage to the escrow account will be 25% of annual action plan including committed liability.

As per the Ministry of Finance (Department of Expenditure)'s OM No. 1(13)/PFMS/FCD/2021 dated 30.06.2021, total interest accrued/ earned out of the funds received in the Escrow account (both from the Central Government and State Governments/ UT Administration) in the preceding financial year, shall have to be computed in the 1<sup>st</sup> week of April each year. The interest earned will be apportioned by Escrow account between the Central and State Governments/ UT Administration as per the approved funding pattern of NMEO-OP and shall be deposited in the respective Consolidated Funds. For the Central Government, the amount shall be deposited in the Major Head 0049, Sub Major Head- 01, Minor Head 800 (i.e. 0049-01-800) by the States and in the Major Head 0049, Sub-Major Head- 02, Minor Head 800 (i.e. 0049-02-800) by the UTs with Legislature.

NMEO-OP, DA&FW  
Govt. of India

ACS/ PrI. Secy./ Secy.  
....., STATE DEPT OF AGRICULTURE/HORTICULTURE ....., Bank

Branch Manager

Government of \_\_\_\_\_ (State/ UT)

Department of \_\_\_\_\_

No. \_\_\_\_\_

Dated: \_\_\_\_\_

**Undertaking**

It is hereby certified that an amount of Rs. \_\_\_\_\_ was earned as interest from the funds received in the Single Nodal Account/ Escrow Account of National Mission on Edible Oils-Oilpalm (NMEO-OP) during the financial year \_\_\_\_\_. The funds under NMEO-OP are shared between the Centre and the State/ UT in the ratio \_\_\_\_ : \_\_\_\_\_. Therefore, out of the interest earned during the financial year, an amount of Rs. \_\_\_\_\_ has been deposited in the Consolidated Fund of India vide No. \_\_\_\_\_ dated \_\_\_\_\_ and an amount of Rs. \_\_\_\_\_ has been deposited in the Consolidated Fund of the State/ UT.

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

***Signature with seal of \_\_\_\_\_***

Secretary/Authorized representative of Secretary

National Mission on Edible Oils - Oilpalm

Department of Agriculture & Farmers Welfare

Ministry of Agriculture & Farmers Welfare

Govt. of India, New Delhi-110003

Acting in the premises for and on behalf of and under the authority of President of India

NMEO-OP, DA&FW  
Govt. of India

ACS/ Prl. Secy./ Secy.  
....., STATE DEPT OF AGRICULTURE/HORTICULTURE....., Bank

Branch Manager



In the presence

of1.

2.

**Signature with seal of\_\_\_\_\_**

Additional Chief Secretary/ Principal Secretary/ Secretary, State/UT of \_\_\_\_\_

For and on behalf of State/ UT Water & Sanitation Mission, State/UT of \_\_\_\_\_

\_\_\_\_\_(Address of STATE DEPT OF AGRICULTURE/HORTICULTURE)

In the presence

of1.

2.

**Signature with seal of\_\_\_\_\_**

Branch Manager in-charge, For and on behalf of

\_\_\_\_\_,Scheduled Commercial Bank

\_\_\_\_\_(Address of Bank)

In the presence

of1.

2.

\*\*\*

## Constitution of Viability Price Fixation Committee (VPFC) for FFBs

F. No. 3-14/2021-OP (SB)  
Government of India  
Ministry of Agriculture & Farmers Welfare  
Department of Agriculture & Farmers Welfare

Krishi Bhawan, New Delhi  
Dated 1<sup>st</sup> October, 2021

**Subject: Constitution of Viability Price Fixation Committee (VPFC) of Fresh Fruit Bunches of Oil Palm – reg.**

With the approval of the competent authority, a Viability Price Fixation Committee (VPFC) of Fresh Fruit Bunches (FFBs) of Oil Palm has been constituted under the Chairmanship of Additional Secretary, Department of Agriculture & Farmers Welfare to declare Viability Price in every oil year (1<sup>st</sup> Nov to 31<sup>st</sup> Oct of next year). The composition of the Committee is given below:

1.	Additional Secretary of DA&FW (Senior most)	Chairman
2.	Managing Director, MCX or his representative	Member
3.	Adviser (Trade), DA&FW	Member
4.	Adviser (Costs), DES	Member
5.	Joint Secretary (Customs)	Member
6.	Joint Secretary (Capital Markets, DEA)	Member
7.	Director (Finance), DA&FW	Member
8.	Joint Secretary (Crops/Oilseeds)	Member Secretary

Terms of References (ToRs) of the Committee are given below:

- i. To declare the VP on 1<sup>st</sup> November of every year starting from 1<sup>st</sup> November 2021 based on the formulation approved by the Cabinet. (copy enclosed)
- ii. To maintain data of CPO price on a regular basis for distribution to the relevant authorities.

Encl: As above

  
 (Bipul Kumar Srivastava)  
 Deputy Commissioner (Oilseeds)  
 E-mail: srivastava.bipul@nic.in  
 Phone: 011-23385781

**Distribution to:**

1. Additional Secretary (Senior most) of DA&FW, Krishi Bhawan, New Delhi
2. Adviser (Trade), DA&FW, Krishi Bhawan, New Delhi
3. Adviser (Costs), DES, Krishi Bhawan, New Delhi
4. Joint Secretary (Customs), Room No. 156-B, North Block, New Delhi.  
Email: jscus@nic.in
5. Joint Secretary (Capital Markets), Department of Economic Affairs, North Block, New Delhi.
6. Director (Finance), DA&FW, Krishi Bhawan, New Delhi
7. Joint Secretary (Crops/Oilseeds), Krishi Bhawan, New Delhi

**Copy to:**

1. PS to Hon'ble Minister of Agriculture & Farmers Welfare, Krishi Bhawan, New Delhi
2. PPS to Secretary (A&FW), Krishi Bhawan, New Delhi

**MOUs**

**F. No. 3-30/2021-NMEO-OP(SB); E-102771**  
**Government of India**  
**Ministry of Agriculture & Farmers' Welfare**  
**Department of Agriculture & Farmers' Welfare**

Krishi Bhawan, New Delhi  
Dated: 11<sup>th</sup> October, 2021

To,  
The Principal Secretary (Agriculture)  
Govt. of Arunachal Pradesh, Assam, Manipur, Mizoram & Nagaland

**Subject: Memorandum of Understanding (MoU) for Payment of VGP or special NER Payment by Government for FFBs of Oil Palm to the farmers - reg.**

Sir,

I am directed to forward herewith a copy of the Memorandum of Understanding (MoU) for Payment of VGP or special NER Payment by Government for FFBs of Oil Palm to the farmers and requested to kindly return the same after signature to this Department by **15<sup>th</sup> October, 2021 positively** to enable us to take further necessary action in the matter.

Yours faithfully,

  
(Ranvir Singh)

Assistant Commissioner (Oil Palm)

Copy to:

1. PPS to Secretary (A&FW), Ministry of Agriculture, Govt of India, Krishi Bhawan, New Delhi.
2. PPS to Joint Secretary (Oilseeds), DA&FW, Krishi Bhawan, New Delhi.
3. Director/Commissioner (Agriculture/Horticulture), Govt of Arunachal Pradesh, Assam, Manipur, Mizoram & Nagaland.
4. Director, Directorate of Oilseeds Development, Telhan Bhawan, Hyderabad.

MEMORANDUM OF UNDERSTANDING (MoU)

This Agreement is made of this -----day of ----- by and among;

1. The Government of India represented by the Joint Secretary (Oilseeds/Crops), Department of Agriculture & Farmers Welfare, Ministry of Agriculture & Farmers Welfare (herein after referred to as "**Government**" which expression shall mean and include its successors / representatives) of the First part.
2. The Government of ----- State represented by the Principal Secretary (Agriculture/Horticulture), Government of -----(herein after referred to as "**State Government**" which expression shall mean and include its successors / representatives) of the Second part
3. Whereas the Government has approved the National Mission on Edible Oils (Oil Palm) hereinafter referred to as the "**Mission.**" Whereas the Area Expansion programme for the Mission has been approved by Government of India (herein after referred to **Annual Action Plan (AAP)** and include component wise physical and financial target and is being implemented by the State Government in the potential districts here in after called the "**Project Area**"
4. And Whereas State Government has divided the project area into zone and allotted the zones to various Implementing Partners for area expansion and oil palm development. The State Government to demarcate the potential Districts, Blocks, Villages, number of beneficiaries, target area and to pass on the list of farmers to Implementing Partners/Oil Palm Processors.
5. And whereas the State Government will involve Implementing Partners for the development of Oil palm in the state and execute a Tripartite Agreement between the state government, implementing partner and oil palm farmers for the same. The roles of each party will be defined in this Tripartite Agreement.
6. And Whereas the Government to monitor and review the progress of the Mission and to take corrective measures time to time. Both the State Government



and Implementing Partners will be responsible for furnishing monthly progress report of the Mission as per specified format of Government.

7. And whereas the progress in the implementation of the Mission will be monitored by General Council (GC) and Executive Council (EC) at Government level and State Level Sanctioning Committee (SLSC) at state Government level as given in guidelines of the Mission.

8. And Whereas in order to protect the farmers interest, the Government to declare viability price of the Fresh Fruit Bunches (FFBs) on the 1<sup>st</sup> November of every year as per the formula specified in the Guidelines of the Mission.

9. And Whereas through declaration of the Viability price (VP) for the price of FFBs, this would be the assured returns to the farmers. Every year starting with Oil Palm Year (OPY) from the month of 1<sup>st</sup> November, the Government will declare the VP for that OPY by a duly constituted committee of the DA & FW.

10. And Whereas the Formula Price (FP) will be average monthly (of the preceding month) landed CPO price multiplied by a multiplication factor 14.30%, The Formula price would be used for the calculation of viability gap funding calculation in every month.

11. And whereas if the payment to the farmers by the Implementing partner is below the VP, the Government will provide a VGP to ensure that the farmers payment reaches the VP.

12. And Whereas for industry payment to the farmers, the industry will pay based on 14.3 % of the average monthly CPO price from 1<sup>st</sup> November 2021 to 31<sup>st</sup> October 2028. This payment by the industry shall increase by 0.25 % every three years from 1<sup>st</sup> November 2028, till 31<sup>st</sup> October 2037. From 1<sup>st</sup> November 2037, the farmers will be paid 15.3 % of CPO as FFB price (As per table attached in Annexure I).

13. (For NE states)-And Whereas to give impetus to NE states, Government will provide a special payment for NER as given in table in Annexure I.

14. And Whereas, in case the State Government does not adopt the formulation of the Government for payment by the Implementing Partner proposed in this scheme (As per Annexure I), they shall be at liberty to continue with their own payment system, and in such a case, the Implementing Partner will be mandated to pay the State Government mandated price.

15. And Whereas the payment of VGP or special NER payment by Government shall be applicable only if the State Government adopts the formulation of payment of FFB price of the Mission (As per Annexure I).

16. And Whereas the VGP and special payments to NER payout will be paid by DBT directly in the farmer's account by Government as per mechanism set out in the Guidelines for the Mission.

17. And Whereas to develop and maintain data of all the beneficiaries of oil palm by Government, State Government and Implementing partner to ensure foolproof data base of the beneficiaries verified through geo tagging.

18. And Whereas the Government will release the funds to the State Governments as per guidelines of the Mission.

19. The guidelines of the Mission issued by the Government to be strictly adhered to by State Government.

20. And Whereas the MOU shall remain effective till 31st October 2037.

21. And Whereas, the State Government shall have the liberty to back out of the MOU during the period of validity with the prior consent of the Government of India.

22. And Whereas the Government of India shall have the liberty to rescind the MOU with immediate effect if any of the conditions listed above are not met by the State Government.

23. In consideration of the MoU given as above, the Government and the State Government accept the same.

Government  
(Joint Secretary)

State Government  
(Principal Secretary)

## Annexure-I

Payment prescribed for the FFBs to the farmers

Oil Year	Minimum Payment schedule by industry to farmers ( as % of CPO)		Difference to be paid by GoI to the farmers	
	Rest of India	North East states	Difference to be paid by GoI in North East states for parity with ROI	Payment of VGP by GoI to farmers as (Viability price-Formula price)
1st Nov 21 to 31st Oct 28	14.30	12.30	$14.30 - 12.30 = 2\%$	$(\text{Viability price} - \text{Formula price}) \times 100\%$
1st Nov 28 to 31st Oct 31	14.55	13.05	$14.55 - 13.05 = 1.5\%$	$(\text{Viability price} - \text{Formula price}) \times 75\%$
1st Nov 31 to 31st Oct 34	14.80	13.80	$14.80 - 13.80 = 1.0\%$	$(\text{Viability price} - \text{Formula price}) \times 50\%$
1st Nov 34 to 31st Oct 37	15.05	14.55	$15.05 - 14.55 = 0.5\%$	$(\text{Viability price} - \text{Formula price}) \times 25\%$
1st Nov 37 onwards	15.30	15.30	$15.30 - 15.30 = 0\%$	0

\* Subject to the condition that together with Industry payment and NER special payment by GoI, it does not exceed the viability price declared by the GoI.



**F. No. 3-30/2021-NMEO-OP(SB); E-102771**  
**Government of India**  
**Ministry of Agriculture & Farmers' Welfare**  
**Department of Agriculture & Farmers' Welfare**

Krishi Bhawan, New Delhi  
Dated: 11<sup>th</sup> October, 2021

To,

The Principal Secretary (Agriculture / Horticulture)  
Govt. of Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Kerala, Karnataka, Odisha,  
Tamil Nadu & Telangana

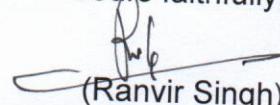
**Subject: Memorandum of Understanding (MoU) for Payment of VGP by Government  
for FFBs of Oil Palm to the farmers - reg.**

Sir,

This is in continuation of this Department's letter even no. dated 11.10.2021 forwarding therewith a copy of the Memorandum of Understanding (MoU) for Payment of VGP by Government for FFBs of Oil Palm to the farmers. In this context, it is requested to kindly furnish your comments, if any, to this Department within one week to enable us to take further necessary action in the matter.

**Encl: As above**

Yours faithfully,



(Ranvir Singh)  
Assistant Commissioner (Oil Palm)

Copy to:

1. PPS to Secretary (A&FW), Ministry of Agriculture, Govt of India, Krishi Bhawan, New Delhi.
2. PPS to Joint Secretary (Oilseeds), DA&FW, Krishi Bhawan, New Delhi.
3. Director/Commissioner (Agriculture/Horticulture), Govt of Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Kerala, Karnataka, Odisha, Tamil Nadu & Telangana
4. Director, Directorate of Oilseeds Development, Telhan Bhawan, Hyderabad.

**F. No. 3-30/2021-NMEO-OP(SB); E-102771**  
**Government of India**  
**Ministry of Agriculture & Farmers' Welfare**  
**Department of Agriculture & Farmers' Welfare**

Krishi Bhawan, New Delhi  
Dated: 11<sup>th</sup> October, 2021

To,

The Principal Secretary (Agriculture / Horticulture)  
Govt. of Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Kerala, Karnataka, Odisha,  
Tamil Nadu & Telangana

**Subject: Memorandum of Understanding (MoU) for Payment of VGP by Government for FFBs of Oil Palm to the farmers - reg.**

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Yours faithfully,

  
(Ranvir Singh)

Assistant Commissioner (Oil Palm)

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and Implementing Partners will be responsible for furnishing monthly progress report of the Mission as per specified format of Government.

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Government of India  
(Joint Secretary)

State Government  
(Principal Secretary)

## Annexure-I

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1st Nov 37 onwards	15.30	0

\* Subject to the condition that together with Industry payment and VGP by GoI, it does not exceed the viability price declared by the GoI.