

Minutes of the 16<sup>th</sup> Meeting of Mission Operation Greens held on 15.06.2020Minutes of the 16<sup>th</sup> Meeting of Mission Operation Greens held over Webex  
(online meeting portal) at 3.00 pm on 15.06.2020

The meeting was held under the chairmanship of Joint Secretary, FPI to review the progress made in respect of new scheme Operation Greens - "TOP to TOTAL" and to review the status of implementation of on-going projects by the PIAs. Members of the Mission Operation Greens (MOG), PMA (GT & NABCONS) and PIAs attended the meeting. The list of participants of the meeting is at Annexure-I.

2. At the outset, Chairman welcomed the participants and intimated the purpose of the meeting. Members were informed about new scheme Operation Greens - "TOP to TOTAL" for short-term price stabilization measures as part of Atmanirbhar Bharat Abhiyan. It was informed that the new scheme was approved on 10.06.2020 and that the scheme guideline was notified and uploaded in the website on 11.06.2020. During last MOG meeting held on 12.06.2020, the detailed presentation about the scheme, registration process, application template and methodology adopted for selecting eligible crops, production cluster & trigger price were explained to the members. He requested the State Government to:

- i. give wide publicity of the scheme so that full advantage of benefits available under the scheme can be availed by various stakeholders;
- ii. advise the State Marketing Federation/Board or similar Agency to make procurement from the small & marginal farmers and take the advantage of the scheme;
- iii. advise the State Horticulture department to provide a list of major fruits & vegetables due for harvest during June to Dec, their harvesting season months, and production & average price information for last three years in the production clusters as per Horticulture Statistics at a Glance 2018 (available on [https://mofpi.nic.in/sites/default/files/list\\_of\\_states\\_districts\\_as\\_per\\_horticulture\\_statistics\\_at\\_a\\_glance-2018.pdf](https://mofpi.nic.in/sites/default/files/list_of_states_districts_as_per_horticulture_statistics_at_a_glance-2018.pdf))

He further requested the different agencies such as APEDA, SFAC, NCDC, State Marketing Federation/Board etc. to facilitate meetings with the concerned stakeholders through video-conferencing, so that Ministry can explain the scheme to them in detail.

3. Detailed presentations were made by the PMA (GT & NABCONS) on the progress of on-going projects and specific request of the PIAs.



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4. The agenda wise recommendations of the Mission are as under:

**Agenda No.1:****New scheme Operation Greens - "TOP to TOTAL" for short-term price stabilization measures under Atmanirbhar Bharat Abhiyan**

Member were informed about the Operation Greens Scheme, being implemented by MoFPI has been extended from tomato, onion and potato (TOP) crops to other notified horticulture crops for providing subsidy for their transportation and storage from surplus production area to major consumption centres. After Inter-Ministerial Consultation and SFC meeting held on 03.06.2020, the Scheme was approved by Hon'ble Minister on 10.06.2020 and the scheme was notified and uploaded in the Ministry's website on 11.06.2020.

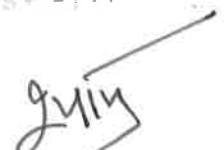
Shri Shyam Sundar Agrawal, Deputy Director made detailed power-point presentation on the scheme guidelines. It was explained that the objective of intervention is to protect the growers of fruits and vegetables from making distress sale due to lockdown and reduce the post -harvest losses. Ministry will provide subsidy @ 50 % of the cost of the following two components, subject to the cost norms:

- v. Transportation of eligible crops from surplus production cluster to consumption center; and/or
- vi. Hiring of appropriate storage facilities for eligible crops (*for maximum period of 3 months*);

Regarding eligible crops, it was informed that fruits namely Mango, Banana, Guava, Kiwi, Lichi, Papaya, Citrus, Pineapple, Pomegranate, Jackfruit and vegetables namely French beans, Bitter Gourd, Brinjal, Capsicum, Carrot, Cauliflower, Chillies (Green), Okra, Onion, Potato and Tomato have been included in the Scheme. Any other fruit/vegetable can be added in future on the basis of recommendation by Ministry of Agriculture or State Government.

Duration of Scheme is for the period of six months from the date of notification i.e., 11/06/2020. Food Processors, FPO/FPC, Co-operative Societies, Individual farmers, Licensed Commission Agent, Exporters, State Marketing/Co-operative Federation, Retailers etc. engaged in processing/ marketing of fruits and vegetables are the eligible entities for availing the subsidy under the scheme.

Regarding submission of claim for subsidy, it was informed that eligible entities, who comply with the aforesaid essential criteria may undertake the transportation and/or storage of eligible crops from notified surplus production cluster, without any prior approval from MoFPI and thereafter submit their claim on online portal



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<https://www.sampada-mofpi.gov.in/Login.aspx>. Applicant should register on the portal before carrying out transportation/storage of fruits and vegetables

Regarding scrutiny and settlement of claims, it was informed that application for claim will be evaluated by the existing PMAs under Operation Greens Scheme. Their recommendation will be considered in the Mission Operation Greens meeting, which will be held regularly on weekly basis (every Monday, in case of holiday, next working day) at 03:00 PM. After approval by Mission Operation Greens, the claim will be processed for release of subsidy by the division.

Shri Sanjay Chandra, from NIC team made detailed presentation on the Registration form and online Application template designed for submission of claims by the applicants for reimbursement of eligible cost as subsidy under the Scheme.

Regarding the Trigger Price required for intervention under the scheme, it was informed that M/s Agri Watch has compiled the 3-year average price information from AGMARK NET Portal for some crops namely Mango, Papaya, Pomegranate, Banana, Mosambi, Sapota, Guava, Pineapple for total 109 clusters in the State of Maharashtra, Gujarat, Karnataka, Madhya Pradesh, West Bengal, Uttar Pradesh, Andhra Pradesh, Telangana and Odisha. It was informed that the data was compiled for those clusters where the data quality is relatively clean and better. There are certain gaps in the data maintained by the Agmarknet. It was informed that in case of some states (e.g. Bihar), no Agmarknet data is available. Similarly, in some states, important clusters may not have been included due to no availability or poor availability of data on Agmarknet. *Therefore, all the State Govt were requested to validate the information contained in the list and also provide the missing price information of a particular year.* It was informed that list of eligible crops, selected surplus production clusters and trigger price for intervention under extended Operation Greens Scheme was sent to all the members of the MOG and to the office of Chief Secretaries of all the States and UTs (**copy enclosed**).

In this regard, the following points were decided:

- a. For inclusion of clusters in the list, the average price during harvesting period of all three years is required;
- b. For inclusion of any production cluster *as per Horticulture Statistics at a Glance 2018*, the State Govt shall provide the requisite details such as major crops, their harvesting season months, the average price, production (MT) during harvesting period of last three years;
- c. Any other major crop (such as Kiwi, Litchi, Jackfruit etc.) may be recommended by State Govt, by providing their harvesting season months, and production & average price information for last three years in the production clusters as per Horticulture Statistics at a Glance 2018;



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- d. The list of eligible crops, selected surplus production clusters and trigger price for intervention may be revised from time to time by the Ministry. The revised list will be placed before next MOC meeting for consideration.

NAFED expressed apprehension regarding not meeting of essential criteria by the small and marginal farmers under the scheme to avail the benefit of subsidy. In this regard, it was clarified that State Marketing Federation/Boards or any similar agency designated by the concerned State Government can procure the eligible crops from the small & marginal farmers and take the benefits under the Scheme.

Regarding Trigger price required for intervention under the Scheme, NAFED suggested that this should be minimum price for procurement, instead of maximum price. In this regard, it was informed that for intervention under the scheme, the prevailing price in the notified production clusters should be either less the preceding 3 year's average market price at the time of harvest or price fall more than 15% compared to last year market price at the time of harvest, or price fall less than the benchmark price for procurement, if any, fixed by the State/Central Government for a specified period. To calculate trigger price, the maximum of the above three criteria is considered. Accordingly, to arrive at conclusion that there is stress in price, the prevailing price at which the applicant purchase from farmers in the relevant cluster should not be more than the trigger price. However, in the broader line case, the prevalence of actual APMC/Mandi price on the date of procurement by the farmer in the respective cluster will be confirmed from concerned State Government before processing of the claim.

Representative of Govt of Karnataka informed that they have shared the scheme guidelines with their district office and will give the feedback to the Ministry shortly.

Representative of Govt of Andhra Pradesh appreciated the Scheme and informed that there are number of FPOs engaged in transportation of fruits & vegetable in their State and they will be benefitted from the scheme. They further informed that their Agricultural Marketing Department is also engaged in transportation of the crops.

Representative of Govt of Gujarat raised apprehension of the data gap in the information regarding price/production maintained by the Agmarknet. All the State Govt were requested to validate the price information from their own source of data maintained by State Horticulture or any other agency.

Representative of Govt of Rajasthan informed that they had request for inclusion of production clusters for onion and tomato from their State, but none of them has been included in the list. In this regard, it was clarified that list of selected cluster (as per Annexure-I of the Scheme Guidelines) is meant for receiving of proposals for setting



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up of the integrated value chain development project. The cluster under new scheme is for short term intervention and therefore he was requested to provide the list of major fruits & vegetables being harvested during June to December, their harvesting season months, major clusters, average price, production data during harvesting period of last three years.

Representative of Govt of Assam informed that the major crops due for harvest in their State are pineapple, banana, spices etc. He was advised to provide the requisite information for inclusion of major production clusters from their State.

Representative of Govt of Tripura requested for reducing the minimum procurement quantity from 100 MT to 50 MT, as there is no State Marketing Federation like agency in their state. He also requested to reduce the minimum distance from 100 Km to 25 Km. In this regard, it was considered that *minimum quantity to be procured and transported/stored by applicant may be reduced from 100 MT to 50 MT for FPO/FPC, Co-operative, Individual farmers; from 500 MT to 250 MT for Food processor, Exporter, Licensed Commission Agent; from 1,000 MT to 500 MT for Retailers, State Marketing/Co-operative federation and cost norms for transportation may be increased by 10% for the North Eastern and Himalayan States.*



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Agenda Item No. 2:

**Andhra Pradesh Food Processing Society, Chittoor and Anantpur, Andhra Pradesh**

Representative of PIA attended the WebEx Meeting held on 15.06.2020.

After the detailed deliberation mission noted the following:


1. PIA as per the review meeting under the chairpersonship of Secretary, FPI committed to comply with the timelines as per the implementation schedule. However, the PIA has not complied with the timelines and has exhausted the project completion timeline.
2. PIA has completed signing of land lease agreement for 1 PPC and is ready with land lease agreement for another 6 PPCs in Chittoor. However, the same have not been formally executed as the registrar office is closed in Chittoor due to the ongoing pandemic.
3. PIA stated that they will open the tender received for PPCs on 22 June 2020.
4. Mission noted that no work has commenced on ground level with regards to setting up of PPC.

**It was informed that IMAC in its meeting held on 21.02.2020 had deferred the agenda for extension of project implementation timelines due to absence of representative of the PIA.**

**Mission recommendation:**

In view of the above, mission directed the PIA to submit the revised timelines for each activity and implementation schedule as per ministry's format. The mission directed the PIA to submit the outcome of tender opening by 23 June 2020 and land agreement documents after execution of deed.

Mission recommended the proposal for extension of project completion timelines for IMAC consideration.



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Representative of PIA attended the WebEx Meeting held on 15.06.2020

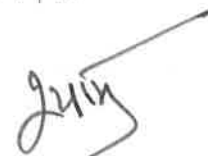
Mission noted that the PIA has applied for extension of project timeline, change in PPC component and withdrawal of equity from Tier-II account. After the detailed deliberation mission noted the following:

1. PIA has awarded civil work tender worth Rs. 11.65 crores on 10 June 2020 and as per the guidelines, the PIA needs to award contract worth at least 30% of the total project cost i.e. Rs.31.16 Cr. PIA will award the plant & machinery tender in the first of week of July i.e. by 05 July 2020.
2. PIA informed that there has been a delay in site work due to ongoing pandemic. PIA assured that they will submit the documents for compliance of 1<sup>st</sup> tranche of 1<sup>st</sup> instalment by 10<sup>th</sup> August.
3. PIA has not submitted bank endorsement regarding change in PPC component.
4. PIA has not mobilized the entire equity in Tier - II account as on date and as per the TRA agreement no withdrawal from tier-II account is permissible other than for project implementation.

**Mission recommendation**

In view of the above, Mission directed the PIA to submit the copy of award of contract for civil works. For change in PPC components, PIA shall submit an endorsement letter from the lending bank providing complete justification for change in components. The mission rejected PIAs request of withdrawing of promoter's equity from Tier - II account of Kotak Mahindra Bank since as per Section - IV(b) of TRA agreement, no withdrawal from tier-II account is permissible other than for project implementation. Mission directed the PIA to submit the revised timelines and implementation schedule as per ministry's format

Mission recommended the proposal for consideration of IMAC for PIA's request for extension of project implementation timelines and change in PPC component, subject to receipt of bank endorsement.



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Agenda no.4:

**Khemanand Dudh and Krishi Producer Company Limited, Ahmednagar, Maharashtra**

Representative of PIA attended the WebEx Meeting held on 15.06.2020

Mission noted that the approval of project was subject to condition that PIA will mobilize entire promoter's equity to Tier-II account before March 2020. However, PIA has not mobilized any equity to Tier-II account as on date.

Further, Mission noted that PIA has applied for change in lending bank from Vivriti Capital to IFCI venture capital. PMA stated that the term loan from IFCI Venture Capital is an investment and is one of the terms of instrument for raising funds for infrastructure projects. The terms of conditions of the in-principle approval are just like angel investor company.

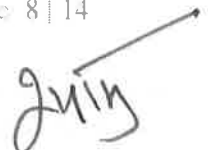
Mission noted that there has been no physical progress at site.

**It was informed that IMAC in its meeting held on 21.02.2020 has extended the timeline for submission of 30 days' documents from 07.02.2020 to 29.02.2020. The PIA has complied with the 30 days' documents submission on the portal.**

**Mission recommendation**

In view of the above, mission directed the PIA to submit the revised timelines and implementation schedule as per ministry's format.

Mission recommended the proposal regarding change in lending bank for consideration of IMAC.





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Representative of PIA attended the WebEx Meeting held on 15.06.2020

The main agenda point was the expenditure incurred by the PIA before the formation of the TRA.

PMA (Nabcons) informed that the PIA was provided with a sanction letter on the 05.03.2020 and had complied with all the 30 days' compliance requirements as per the guidelines, which were to be submitted by the 05.04.2020, except for the MOA with Ministry due to COVID-19.

Based on the examination of the documents, pertaining to the invoices, work orders and payments, PMA made the following observations during the meeting:

- As on 01.05.2020 an expenditure of Rs. 8.56 crore (excl GST) has been made by the PIA towards the eligible components;
- All the payments have been made to after the PIA applied for the scheme on 15.11.2019. However, the entire expenses of Rs. 8.56 crore (excl GST) has been made before the TRA agreement was signed on 27.04.2020;
- Of the Rs. 8.56 crore expenditure incurred, 100% of it was made after the application date. Rs. 7.98 crore was made after the application but before the sanction date and Rs.0.58 crore payment was made after the sanction date but before the TRA agreement was entered.
- Work orders worth Rs. 11.78 crore out of the total project cost of Rs. 18.50 crore have been released. (63% of Total project cost) and Expenditure of Rs. 8.56 crore, i.e., 54% of the eligible project cost of Rs. 15.75 crore has already been incurred.
- Equity to the extent of 100% of the approved equity and loan to the extent of 87% of the approved loan components as per the sanction letter has already been mobilized as on 05.05.2020.
- With respect to the progress at the main secondary processing site at Anand, Plinth work completed, building (Civil and PEB work has been completed), roofing work in has been completed and Admin building work in progress. Machinery has been imported and is presently kept in a private godown, because as per the terms of delivery of the equipment, the equipment has to be unboxed only in the presence of equipment supplier representative. Due to the present COVID-19 situation, the supplier visit for the unboxing and installation of equipment has been postponed until normalcy. Project site photos and videos were obtained from the PIA in order to decide on the same as the PMA could not physically visit the site considering the lockdown.



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PMA informed that with respect to all the progress made at site, the expenditures incurred have been made after the application and before the execution of the TRA Agreement.

PIA informed that as the quotations for the plant and machinery were obtained during the application in Nov 2019, the foreign plant and machinery suppliers had been insisting the PIA to place the orders at the earliest and therefore, soon after the application was made, it began to place order. In addition to the same, the PIA has explained that the bank which had provided loan sanction letter to PIA (on 15.11.2019), was repeatedly following up for progress of project at site and issued a letter on 05.12.2019 for providing reason for no progress at site. The bank had also conveyed to the PIA that if there was any delay in the implementation, then the terms of the loan sanction would change and the sanction letter dated 15.11.2019 would be void. As the results of uncertainty about sanction of grant under the scheme, until March 2020, the PIA with an intention of retaining the terms of the loan sanction started the progress of works at site. The PIA in its email has also mentioned that all the payments made were advances and not against tax invoices and the same may be considered by MoFPI. Also they have conveyed that had the advances not been paid to the Plant and Machinery Suppliers, the delivery of the same would have been delayed and would have affected the viability.

PIA submitted the following time-line of the activities already undertaken regarding the project:

S. No.	Particulars	Date	Proof Document
1	Date of Application	15.11.2019	-
2	Date of appointment of Civil Contractor	06.12.2019	Work Order
3	Date of payment of advance to civil contractor	11.12.2019	Account Statement of Vangi Foods
4	Design of the civil and PEB work finalization	03.03.2020	Copy of Design Documents enclosed
5	Payment of amount against submission of Design	04.03.2020	Account Statement of Vangi Foods
5	Commencement of works at site	08.03.2020	It can be assumed that only after the finalization of design the works would have commenced and mobilization of manpower to site usually requires at 3-5 days. So the work may have commenced on 08.03.2020. There is no proof for same.

Division clarified that as per the Para 4.6 of the Scheme Guidelines that any expenditure incurred by PIA before sanction of the project by the MoFPI shall not form part of the eligible project cost. Further, as per Para 6 (g) of the approval letter

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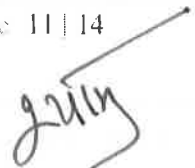
provides that "PIA shall not make any cash transaction for utilization of grants-in-aid, equity and term loan and all the payments shall be only routed through TRA." Para 4.1.iii of the TRA agreement provides that "the withdrawals from the TRA shall commence only upon written communication from MoFPI to the Trust and Retention Account Agent.

Division informed that it has received two original copies of the MoA and the duly signed copy of TRA Agreement on **02.06.2020**. The TRA Agreement was entered on 27.04.2020 by the PIA with the bank. The bank has sought permission from Ministry to operate the tier accounts on **14.05.2020**. Ministry has kept in abeyance the signing the MoA with the PIA and conveying permission to bank to operate tier accounts because of the new fact brought into the notice regarding substantial expenditure have been incurred in project implementation by the PIA before the sanction of the project and that all the fund mobilization and expenditure have been carried out outside the tier accounts.

**Mission Recommendation:**

Mission noted that substantial expenditure has been incurred by the PIA before date of sanction of the project by the Ministry. Neither PIA nor PMA has not brought this fact into the notice of Ministry at the time of approval.

Mission recommended to place the Agenda for appropriate decision by the IMAC.



**Agenda no.6****M/s Sanghar Exports, Pune, Maharashtra**

Representative of PIA had joined the WebEx Meeting held on 15.06.2020 at the beginning of the meeting. However, eventually when their case was to be discussed, the PIA could not connect due to disturbance in the network.

PMA informed that PIA has not yet sent across the acceptance letter to the sanction letter addressed on 05.03.2020. The PIA has not explicitly mentioned about their intent, neither through email nor through letter.

The acceptance was to be provided within 15 days of issue of letter. The same was not submitted by PIA. Neither has the PIA uploaded any document on the portal in connection with the 30 days' compliance documents.

The division also conveyed that Ministry has sent email dated 18.03.2020, 26.03.2020, letter dated 08.04.2020 and 22.05.2020. In the last letter dated 22.05.2020, the PIA was requested to submit the acceptance letter within 7 days and to comply with 30 days' documents expeditiously, failing which Ministry will be constraint to cancel the approval given to the project. However, no response has been provided by the PIA.

**Mission Recommendation:**

Mission recommended to place the Agenda for appropriate decision by the IMAC.



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List of the Members attended Mission Meeting held under the Chairmanship of Joint Secretary, MoFPI on 15.06.2020 at 03:00 PM over Cisco Webex Meeting (*online portal*)

**Ministry of Food Processing Industries**

S.No	Name of the Officer	Email	Office no.
1	Shri Minhaj Alam, (Joint Secretary)	minhaj@ias.nic.in	26499433
2	Shri Atya Nand (Deputy Secretary)	atyanand@nic.in	26497635
3	Shri Shyam Sundar Agrawal, (Deputy Director)	Ssagrawal.icoas@nic.in	26406545
4	Shri Sanjay Chandra, (NIC Team)	sanjaylsipl@gmail.com	26406557
5	Shri Dalveer Singh, (Assistant Section Officer)	Dalveer.maam@gov.in	26406545

**Members**

S. No.	Name of the Officer	Office/Contact/Email
1	Shri Manash Choudary, Joint Advisor	NITI Aayog
2	Shri Sunil Kumar Singh, Addl. Managing Director	NAFED
3	Shri Kamendra Srivastava, Executive Director	NAFED
4	Smt. Bonani Roy Choudary, DGM	NABARD
5	Dr. Brajesh Singh	ICAR-Central Potato Research Institute, Shimla
6	Shri S B Sharma, Director	Department of Horticulture, Uttar Pradesh
7	Shri K S Randhawa, MD, GAICL	Gujarat Agro Industries Corporation
8	Dr. P B Jamatia,, Director	Department of Horticulture & Soil Conservation, Tripura
9	Shri J. Roy Sharma, Deputy Director	Department of Agriculture, WB
10	Shri Yashpal Mahawat, Director	Department of Horticulture, Rajasthan
11	Director	Department of Horticulture, Karnataka
12	Shri Pushkar Singh, Commissioner Horticulture	Department of Horticulture & Food Processing, Madhya Pradesh
13	Dr. PK Mahanta, Director	Department of Agriculture and Horticulture, Assam
14	MIDH Section	Horticulture Department, Telangana

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15	Mr. B.S.Patel, Director	Horticulture Department, Gujarat
16	Shri Bhaskar Natarajan, Manager	AgriWatch

**PMA**

S. No.	Name of the PMA	Company
1	Shri Karan Sharma	Grant Thornton
2	Ms Deepti	Grant Thornton
3	Shri K Inkarsal	NABCONS
3	Ms Shilpa Deshpande	
4	Shri Bhoopendra Singh	

**Applicant**

S. No.	Name of the Applicant
1	M/s Andhra Pradesh Food Processing Society, Krishna, Andhra Pradesh
2	M/s Banaskantha District Coop Milk Producers Union Ltd, Banaskantha, Gujarat
3	M/s Khemanand Dudh and Krishi Producer Company Limited, Ahmednagar, Maharashtra
4	M/s Vangi Food, Anand, Gujarat



Digitally signed by Shyam

Sundar Agrawal

Date:Wed Jun 17 13:08:24 IST

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Reason: Approved