

**DETAILED PROJECT  
PROPOSAL  
FOR  
ESTABLISHMENT OF  
RICE CENTRES**

# **DETAIL PROJECT PROPOSAL OF RICE CENTERS**

## **INTRODUCTION:**

The State Agriculture Policy 2013 has addressed agricultural mechanization as one of the potential areas for agricultural development in next ten years. It is also realized that the State requires selective mechanization that brings economics competitiveness and removes avoidable drudgery. The mechanization scenario has gained momentum in the state. In recent years the farmers of the state have shown positive response to own improved machinery which is evident from the increase in popularization of tractor, power tiller, thresher, combine harvesters, transplanter etc. It is observed that Rice is the single most important crop for Odisha. It has constraints in production leading to its yield being considerable lower than most other major rice growing states due to improper attention to some major aspects. Besides this the farmers of the state who have sophisticated machines are unaware of its operation, maintenance, storing etc. It is proposed to establish at least four "Rice Centers" to disseminate knowledge of modern technology and practices as well as centers of excellence in rice cultivation encompassing the knowledge and resources from all around the globe.

## **BACKGROUND**

- ❖ Rice - The single most important crop in the State.
  - Covers around 69 percent of cultivated area.
  - Farmers are producing about 90 percent of food grain in the State.
  - The staple food of almost entire population of Odisha
- ❖ Odisha yield — 33% below National average.
- ❖ Need a step jump in productivity

## Rice Yield comparison (2013-14)

States	Yield (Kg/Ha)	Variance Vs Odisha	Country	Yield (Kg/Ha)
Punjab	3,952	117%	Japan	4,910
AP	2,852	57%	China	4,720
WB	2,788	53%	Korea	4,718
India	2,416	33%	India	2,416
Odisha	1,821			

### Key Constraint

- ❖ Constraints in improving Quality & Production of Rice
- ❖ Constraints in Improving
- ❖ Constraints Farm mechanization for drudgery reduction and to reduce input expenditure
- ❖ Variance in rainfall, Low soil fertility, severe incidence of weed
- ❖ Low mechanization
- ❖ Improper operation of machines and its maintenance

### SOLUTIONS

- ❖ Mechanized "Rice Farming"
- ❖ Reduction in Input expenditure
- ❖ Skill up-gradation
- ❖ Reduction of drudgery
- ❖ Promote improved production technology
- ❖ Provide technical backstopping by experts like scientist of CCRI, SAU and ICAR
- ❖ Self employment
- ❖ Increase in farmer income
- ❖ Custom hiring of machines for farmers use

### OBJECTIVE

Proposal for establishment of Rice Centers in three Govt. farms of Agriculture Department located in Sambalpur, Berhampur, Balasore and one in SLFMTTC, Bhubaneswar.

### PROJECT

The basic Rice Centre will consist of the following :

- ❖ Office and Administrative building
- ❖ Indoor training centre with classroom/ conference hall facility
- ❖ Outdoor area for display
- ❖ Farms area for Result and Demonstration activity
- ❖ Workshop for holding and serving Tractors and Implements
- ❖ Shed for Farm Machinery Bank for Custom hiring of implements

## **ACTIVITIES**

### **Knowledge support** (Training and information)

- ❖ Initial technical knowledge of agriculture equipment
- ❖ Training related operation of the equipment in field
- ❖ Knowledge of basis maintenance and service of various equipment
- ❖ Detail training programs for local mechanics and ITI students
- ❖ Training related to modern agriculture practices
- ❖ Special Training on Mechanized Rice Transplantation

### **Input support**

- ❖ **Information on latest research and development done in seed area and crop care**
- ❖ Government institutes along with Top inputs companies will be sharing their knowledge and research findings with farmers.

### **Capability**

- ❖ Experts in rice value chain would be engaged in running the center
- ❖ All rice crop Agri Institutes will be attached to rice center
- ❖ Every week sessions will be planned by institutes with farmer to share latest trends in rice farming
- ❖ Top input companies which are expert in seed and crop care products will also extend their support farmers through rice center

## **SET UP AND OPERATION**

### **Proposal**

- ❖ Manufacturer/ Source Company will manage and run the rice center
- ❖ State Govt. to provide the following infrastructure :
  - Land : 10 Acres, trespass free, clearly demarcated agri land with water source
  - Building : For training classrooms, office and workshop (details attached)
  - IT infrastructure : List of equipment required attached
- ❖ Manufacturer/ Source Company will provide for the farm machinery, training equipment, furniture and other setup items (List attached)
- ❖ For ongoing operating expenses Manufacturer/ Source Company and the State Govt. to bear equally (50% each.) basis the budget agreed upon.

## **OPERATIVE MODEL**

- ❖ Public and Private Partnership with clearly defined roles and responsibility of State Govt. and Manufacturer/ Source Company.
- ❖ Manufacturer/ Source Company will operate the Centre for 5 year. Post this, after discussion with the State Govt., the operation can be renewed by Manufacturer/ Source Company or can be taken over by State Govt.

## **ROLES AND RESPONSIBILITIES**

### **The State Govt.**

- ❖ Identify and select suitable sites out of existing Govt. setup in the state (a joint exercise with Manufacturer/ Source Company team)
- ❖ Allocate the land and building to Manufacturer/ Source Company for 5 years
- ❖ Provide the IT infrastructure required

### **Manufacturer/ Source Company**

- ❖ Furnishing of the building
- ❖ Recruitment and training of personnel (manager, engineer, technician)
- ❖ Procurement of office supplies, equipment and Machinery
- ❖ Day to day operations
- ❖ Branding and promotional activities
- ❖ Compile and circulate Quarterly progress reports

## **FINANCE**

Expenditure	Manufacturer/ Source Company Rs in lakh	Govt. Rs in lakh	Remarks
Fixed			
Recurring per year			Each year Govt and Manufacturer have to bear equal share.
Total			

## **INVESTMENT AND RESOURCES**

- ❖ For building and operating 1 Rice Centre with Capacity : 12,000 farmers/ year at 50 farmers / day.

### **To be provided by State Govt.**

No.	Item	Cost (INR)
1	Land on Lease	Existing
2	Fully Constructed Building	Existing
3	IT and AV equipment	

**To be provided by Manufacturer/ Source Company**

No.	Item	Cost (INR)
1	Office Facilities	
2	Training Infrastructure	
3	Outdoor Infrastructure	
4	Farm Infrastructure	
5	Service centre equipped with tools	
	<b>Total</b>	

**CAPEX DETAILS**

1. **Office building** : 1500 sq. ft covered area

Office Facilities	In INR
Office and meeting room Furniture Total	

2. **Indoor training centre with** : 1500 sq ft

Training Infrastructure	In INR
Projection system	
Training room infrastructure	
Training material (Development cost)	

3. **Outdoor area for display** : 3,000 sqft

Outdoor Infrastructure	In INR
Information panels & Signage	
Model Displays	
AV equipment	
Seating equipment	
<b>Total</b>	

4. **Farms area for Result & Demonstration activity.**  
10 Acre Land to be provided by state Govt. on lease.

Farm Infrastructure	In INR
Tractor & Implements Tools	
Tools	
<b>Total</b>	

5. **Workshop for holding & serving Tractors and Implements** : 2000 sq ft

Service centre equipped with tools	
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#### DETAILS OF TRACTOR AND IMPLEMENTS (SI No-4 above)

SI. No.	Item	Qty.	Per Unit	Total
1.	Tractor (GPA)	1		
2.	Tractors (Rice Special)	1		
3.	Attachments			
4.	Implements			
5.	Plough	2		
6.	Cultivator	2		
7.	Rotavator	2		
8.	Light weight Rotary tiller	1		
9.	Trolley 2 Wheel 5 ton	1		
10.	Trolley 2 Wheel 1 ton	1		
11.	Transplanters Walk Behind	2		
12.	Transplanters Ride On	2		
13.	Harvesters Crawler	1		
14.	Precision Farming Sensors			
	<b>Total</b>			

#### OPERATIONAL EXPENDITURE

- ❖ Rice Centre Operational Expense per year for 1 Rice Centre:  
Operational Expense: Manufacturer/ Source Company and State Govt. to share at 50:50 Ratio.

No.	Item	Cost (INR)
1	Manpower cost	
2	Other Operational Expenditure	
	<b>Total</b>	

#### Manpower resources required

Mechanics to handle implements : 3 person

Technicians & demonstrator : 3 Person

Training staff : 3 Person

Office staff: 4 Person

Farm staff : 3 Person

**DETAILS OF OPERATIONAL EXPENDITURE**

<b>Manpower cost</b>		<b>Per person</b>	<b>Total</b>
Mechanics to handle implements			
Technicians	3		
Trainer	3		
Office staff			
Farm Staff	3		
<b>Total</b>	<b>16</b>		

**OTHER OPERATIONAL EXPENDITURE**

Yearly regular maintenance			
Electricity Expenses			
Communication expense (LAN + Telephone)			
Travel expense of external trainer			
External Trainer expenses (@ avg. 22 training days/ month) for 12 months (20 trainees/day)	Rs. /- day		
Promotional Expenses			
Fuel Expense during demonstration			
Pantry			
Land Lease expense			
Water expense for office and irrigation in farms			
Appreciation ceremony			
Incidental			
<b>Total</b>			
<b>Grand Total Running expenses per year</b>			



## **BENEFITS TO FARMER**

- One location to get information related to Rice farming
- Supports farming to use latest technologies in farming
- Helps farmer to decrease the investment cost, increase output of crop production hence enabling them to have good farming economics
- Farmers will get support by experts from agricultural institutes and universities at their place
- It will accelerate mechanization in farming in state.
- Farmers will get connected to good practices done by other farmers in other states

## **CENTER LOCATION**

- Ideally located in all key rice growing districts.
- Initial phase (proposed): Berhampur, Sambalour, Balasore and Bhubaneswar.
- One of these districts can be chosen in year 2017 to open the first Rice Centre.
- Later new centers may be opened as per advice of the State Govt.

## **FORCE MAJEURE**

Neither Party shall be held responsible for non-fulfillment of their respective obligations under the MoU due to the exigency of one or more of the force majeure events such as but not limited to acts of God, War, Flood, Earthquake, Strikes, lockouts, Epidemics, Riots, Civil Commotions, etc., provided on the occurrence and cessation of any such event, the affected party thereby shall give a notice in writing to the other party within one month of such occurrence or cessation. If the force majeure conditions continue beyond six (6) months, the parties shall jointly decide about the future course of action.

## **TERMINATION CLAUSE**

The MoU may be terminated by either of the parties forthwith if the other party commits breach of any of the terms/conditions hereof and shall have failed to rectify such breach within sixty (60) days of the notice in this behalf having been served on it by the other party.

## **DISPUTE REDRESSAL**

**In the event of any dispute or difference** of opinion arising out of the MoU, the same shall be resolved amicably by mutual consultation. If such resolution is not possible, then the dispute shall be referred to the sole arbitrator i.e the Principal Secretary of Agriculture & Farmers' Empowerment Department, within the State of Odisha. The award of the arbitrator shall be final and binding on both the parties.

## **BANK GUARANTEE**

The successful bidder will have to deposit a Bank guarantee for an amount as decided by Govt.

## **ELIGIBILITY CRITERIA**

Manufactures of farm equipment as mentioned in page, No. 6. At least 3 of the items should be manufactured by the participant. For the remaining items, the participant must produce annual service contract with a reputed manufacture.

Consortium of manufacturer and other organizations involved in agro processing, agro marketing and agriculture production will be allowed.

- Experience of 10 years in manufacture and agro service is essential.
- Minimum annual turnover of Rs.500 crore is essential.
- None of the institution, participating in the consortium should be black listed by any State Govt. / Central Govt.