

# **SUPPORT FOR COFFEE PROCESSING - MODALITIES FOR IMPLEMENTATION**

For Eleventh Plan Period  
[1.04.2007 to 31.03.2012]

COFFEE BOARD  
BANGALORE

SCHEME OF SUPPORT FOR  
COFFEE PROCESSING

## **Introduction:**

In the world coffee chain hardly 40% of the coffee economy is in the producing countries while the remaining 60% is captured by consuming countries. Over the years they have improved the capabilities of processing, manufacturing and marketing coffee as an end product. Adoption of latest technologies in roasting grinding and packaging is critical for the sustained development of coffee value chain and the market. Processing, packaging and marketing of coffee in the domestic market would also provide ample opportunities for employment generation especially through small and medium enterprises. As the modern technologies in the areas of coffee roasting, grinding and packaging are capital intensive; it inhibits the Small and Medium Enterprises (SMES) to venture into taking up coffee value addition activities. Therefore, it is found necessary to extend appropriate support to the entrepreneurs to acquire the suitable technology to manufacture and package good quality coffee powder.

**Objective of the scheme** is to enhance quality of coffee product and achieve value addition through introduction of improved technologies in coffee roasting, grinding and packaging.

## **Eligibility:**

Individuals, Self-Help-Groups and Grower's collectives, marketing co-operatives, firms, partnerships who are interested to establish coffee roasting and grinding units and also to modernize the existing units with new automated and energy savings machinery are eligible for the benefits under the scheme.

1. The subsidy under the scheme is not available in conjunction with any other scheme of the Coffee Board.
2. The applicant Unit should hold a valid licence for the business from the respective statutory authorities.

## **Duration of the scheme:**

The scheme will be in operation during the 11th Five Year Plan unless discontinued by the Government prior to the closure of XI plan period. Date of filing application would determine priority in release of funds.

The rate of subsidy is limited to 25% of the total cost for individuals/ firms and 40% for Self-Help-Groups and other Grower's collectives. The total cost includes besides the basic cost of the machinery items, admissible taxes, freight, insurance and cost of commissioning. Maximum subsidy is limited to Rs.25.00 lakhs per unit.

**Items eligible for subsidy:**

The roasting, grinding and packaging machinery in any of the following combination is eligible for subsidy:

1. Roasting machine, grinding machine and packaging machine.
2. Roasting machine and packaging machine.
3. Grinding machine and packaging machine.

However, in respect of the existing units, subsidy is eligible for any one type of machines viz., roasting and the grinding or packaging machines provided a grinding machine or roasting machine is considered only if a functional packaging machine is already existing or vice-versa.

**Priority:**

Applications shall be considered on first come first serve basis, provided the applications are complete in all respects.

**Procedure of application:**

The application for subsidy should be submitted in the prescribed format after installation/commissioning of coffee machinery to the Head, Divisional of Quality Control, Coffee Board Bangalore. Units applying for subsidy after 01/04/2008 can apply in the form-I. The applications will be processed after the inspection by Officers of the Quality Control Division on first come first serve basis. The application will be cleared within 45 days from the date of submission. In case of delay/rejection of application reasons will be communicated to the applicants for further compliance.

Any unit established after 1.4.2007 is eligible for the subsidy under the scheme as per the scheme guidelines.

**Disbursement of subsidy :**

The subsidy shall be paid in a single installment after installation and commissioning of the machinery after post installation inspection report from Boards Quality control division subsidy shall be released to the bank account number.

The following supporting documents are to be submitted by the applicant for claiming subsidy after installation & commissioning the machinery covered under the Board's sanction order.

- a. a)Attested copy of Invoice/Bill submitted by the supplier.
- b. Attested copies of Bills in support of freight/installation/commissioning charges and insurance in case of claims (if included in the total cost).
- c. Copy of warranty certificate
- d. Copy of license from municipal authorities.
- e. Details of the Bank Account viz.
  - i. Name of the Bank and Branch address
  - ii. Account Holder Name
  - iii. Account No.
- f. Photographs of the equipment installed.

**Amendment to the Scheme :** The Coffee Board reserves the right to amend, amplify or abrogate in its discretion any of the terms and conditions of the scheme without notice as it may consider necessary for efficient execution of the scheme and fulfillment of its objectives. -3- The following supporting documents are to be submitted by the applicant for claiming subsidy after installation & commissioning the machinery covered under the Board's sanction order. a)Attested copy of Invoice/Bill submitted by the supplier. b)Attested copies of Bills in support of freight/installation/commissioning charges and insurance in case of claims (if included in the total cost). c)Copy of warranty certificate d)Copy of license from municipal authorities. e)Details of the Bank Account viz. i)Name of the Bank and Branch address ii) Account Holder Name iii) Account No. f)Photographs of the equipment installed.

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<b>Coffee Roasting, Grinding and Packaging machinery specification of eligible items.</b>		
<b>Sl. No.</b>	<b>Machineries</b>	<b>Minimum Specifications</b>
1	Roasting Unit	10 Kg per batch and above
2	Grinding Unit	Commercial grinder over 15 Kg capacity per hour (stone mills are not eligible)
3	Packaging Unit	Pedal sealing machine; Continuous sealing machine; Filling and sealing machine; Form fill and sealing machine; Automatic or semi automatic Nitrogen flushing and sealing machine; Vaccumising and sealing machine or Vaccumising & Nitrogen flushing and sealing machine (automatic or semi automatic) are eligible for subsidy.

Note:-

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2. The grant of subsidy @ 25% / 40% of the unit cost shall include the basic price, all taxes, duties, Govt. levies, packing, transportation, transit insurance, octroi charges and installation and commissioning charges.
3. Items listed above would cover all types of machinery and equipment of different makes and specifications available in the market.
4. A coffee packaging unit may consist of roasting and or grinding unit / coffee blending unit and also all three types of packaging systems i.e. (a) bulk packing in coffee chests, gunny bags/paper sacks, (b) pouch packing machinery consisting of FFS machines (from-fill seal) in different sizes of poly packs or / and (c) coffee bagging machine (small scale or large scale) or alternatively it may consist of the blending unit and any one or two of the above stated packaging system.

COFFEE BOARD  
BANGALORE

<b>Application form for Subsidy under support for Coffee Processing Scheme</b>				
1	Name of the applicant			
2	Address of the applicant , Phone No. Email Id.			
3	Name of the unit			
4	Nature of the ownership: (Coffee growers /Self –Help Group/ Partnership Firms/ Others.			
5	Details of the units established.			
i)	Machinery	Roasting Machine	Grinding Machine	Packing Machine
ii)a.	Capacity			
b.	Make			
c.	Sl.No.			
iii)	Invoice No.			
iv)	Invoice date			
v)	Cost of Machine			
vi)	Taxes insurance			
vii)	Total cost			
viii)	Subsidy claimed (SHG etc @40% Growers collectives others @25%)			
6.	Bank account details.			
i	Account Holder name			
ii	Account No.			
iii	Name of the Bank and Branch			
vi	Address of the Branch			

#### **DECLARATION**

I/We, hereby declare that the information furnished above is true to the best of my/our knowledge and declare that I/We am/ are liable to refund the amount if at any stage the information furnished is found to be false.

(Signature and Name)

Place:

Date: