Notice for EOI (Expression of interest) for Establishing Custom Hiring Centers of Farm Equipments

Proposals are sought from interested parties in following two categories:

Category 1 -- Manufacturers of farm equipment who wish to setup minimum specified number of Custom Hiring Centers of Farm Equipments either on ownership model or franchisee model in a cluster of districts falling under one agro-climatic zone.

Category 2 -- Manufacturers of farm equipment or their holding company or joint venture of manufacturer of farm equipments and IT service provider who’ll provide Farm-Equipment-on-Booking basis throughout the state. Booking of farm-equipment can be done by farmer either by phone to a toll-free call centre number OR through a mobile app OR through a web-site. Such entity should also setup CHCs in at least one cluster of districts as in Category 1. Aggregation can be done for other areas of the state where such entity does not have CHCs under its own management.

All interested parties may submit their proposal till 6th October 2016 by 11.00 AM. Guidelines for submitting proposal for Custom Hiring Center can be perused at www.krishi.rajasthan.gov.in.

Interested parties may participate in the pre bid meeting at 11.00 AM on 28th September in Committee Room, Pant Krishi Bhawan, Jaipur.

(K. N.Khandelwal)
Dy.Director Agriculture

Contact: Sh.Yogesh Verma-9928185730 Or Sh. K. N.Khandelwal-9887504025
1. **Purpose** –
Rajasthan Agriculture is witnessing a significant movement from manual to mechanical power; the shift is mainly because of unavailability and high cost of labor at farms. Further, use of mechanical power has a direct influence on quality of farm operation which in turn increases the productivity of crops, apart from reducing the drudgery and facilitating timeliness of agricultural operations. Therefore farm mechanization is the need of the hour in current scenario. However, mechanical power is largely consumed in big land holdings and is still beyond the reach of small/marginal farm holders, which constitute around 75 to 80% of total land holdings. This is due to the fact that the small/marginal farmers, by virtue of their economic condition are unable to own farm machinery on their own or through institutional credit. Therefore in order to make farm machinery with modern technologies available to small and marginal farm holders, collective ownership or Custom Hiring Centers need to be promoted.

2. **The CHC model**
Custom Hiring Center is a body that works as a unit which comprises of a set of farm machinery, implements and equipment meant for pay per use by farmers. Though certain implements and equipment are crop specific, the traction units like tractors, power tillers and self-propelled machinery like combine harvesters are commonly used. Therefore, an ideal model envisaged in this project should comprises of farm machinery that are specific to crops, serving the entire crop value chain and based on the local needs and suitability to soil condition. Salient features of the Agro climatic zones of Rajasthan are available at annexure “A”. **An ideal model of CHC may have at least one implement each from listed 5 farm activity besides traction device.**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Farm Activity</th>
<th>Application/Uses</th>
<th>Suggestive types of implements/equipments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Implements for Land</td>
<td>Land preparation for uniform sowing besides conserving water and soil</td>
<td>Harrow, Cultivator, Rotavator, Plough etc.</td>
</tr>
<tr>
<td></td>
<td>Preparation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Implements for Sowing</td>
<td>Savings on input requirement beside uniformity in depth of sowing</td>
<td>Seed cum Fertilizer Drill Precision Planter etc.</td>
</tr>
<tr>
<td></td>
<td>/ Planting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Implements for Inter</td>
<td>Weed control</td>
<td>Power Weeder, Power Trillers etc.</td>
</tr>
<tr>
<td></td>
<td>Weed control</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. Objectives:
   i. To improve mechanization in places with low farm power availability
   ii. To offset the adverse economies of scale due to high cost of individual ownership.
   iii. To make available various farm machinery / equipments to small and marginal farmers
   iv. To provide hiring services for various agricultural machinery/implements/ high value crop specific machines applied for different operations
   v. To expand mechanized activities during cropping seasons in large areas especially in small and marginal holdings.

4. Financial Assistance:
   i. Department of Agriculture shall provide financial assistance as per existing policies in the form of Back Ended Subsidy for establishment of CHC.
   ii. Back ended subsidy @40% shall be admissible only to individual entrepreneurs who work on franchisee model with the manufacturer, towards the cost of machinery. Cost of machineries shall vary between Rs 10 to 100 lacs depending upon the choice of machinery as per local conditions.

5. Eligibility Criteria:
   Under category 1- The applicant should be a manufacturer of farm equipments with average annual turnover of Rs.100.00 crores for the last 3 years.
   Under category 2- The applicant should be either a manufacturer of farm equipments or a holding company of manufacturer. Joint venture of manufacturer of farm equipments and IT service provider will also be considered, provided that either partner of the entity has experience of at least 5 years related to farm equipments. The average

<table>
<thead>
<tr>
<th></th>
<th>culture operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Plant Protection equipments</td>
</tr>
<tr>
<td>5</td>
<td>Harvesting, Threshing and Post Harvest Management</td>
</tr>
</tbody>
</table>
annual turnover of both companies put together in each case shall be Rs. 100.00 crore for the last 3 years.

6. (a) General Conditions for Set up of Custom Hiring Centers under Category 1:

i. For the purpose of selection of Applicants, each agro climatic zone shall be treated as a unit and the number of custom hiring centers in a unit should ideally be equal to the number of blocks/tehsils in that unit.

ii. The custom hiring centers set up under present proposal are expected to be remaining functional for a period of six years. Short listed entity shall have to enter into an agreement with the department for satisfactory performance of the centers for specified duration. This agreement shall be valid for a period of six years from the date of signing of the agreement and may be extended further on mutually agreed terms subject to the satisfactory performance of the CHCs.

iii. The operational area of each custom hiring center shall be intimated with initial set up report of the CHC and cannot be changed without prior permission of the department.

iv. Adequate publicity shall be made for promotion of service in the area

v. The short listed entity shall provide tractors & agriculture implements on rental basis to farmers, as per their:
   a. Preferred time
   b. Choice (of implements)
   c. Location

vi. The short listed entity shall be allowed to store / use their own product or may collaborate with the nearby owners of the implements, however, financial assistance shall only be admissible towards purchase of new equipment/tools

vii. The short listed entity shall employ trained manpower (drivers, hub managers, technicians) to run hub operations

viii. Under franchisee model, the applicant(s) are expected to provide detailed terms and conditions for appointing the franchisee, which may not be altered without prior permission of Department of Agriculture

ix. Annual performance report of the custom hiring center covering information pertaining to implement usage shall have to be submitted to Department of Agriculture
x. A separate bank account shall be maintained for each CHC and statement of accounts of financial transactions of the CHCs should be submitted annually to Department of Agriculture.

xi. Agriculture Department has right for inspection, physical verification or conduct of an enquiry for any grievances received from the consumer.

6(b) General Conditions for Set up of Custom Hiring Centers under Category 2:

i. For the purpose of selection of Applicants, each agro climatic zone shall be treated as a unit and the applicant have to set up custom hiring centers in at least one identified/ selected unit. The number of custom hiring centers in the unit should ideally be equal to the number of blocks/ tehsils in that unit. Aggregation can be done for other areas of the state where applicant does not have CHCs under its own management.

ii. Financial assistance in the form of Back ended subsidy shall be admissible for procurement of new machinery for custom hiring center set up under this category subjected to functionality of Farm-Equipment-on-Booking basis throughout the state under which Booking of farm-equipment can be done by farmer either by phone to a toll-free call centre number OR through a mobile app OR through a web-site.

iii. The custom hiring centers set up under this category are expected to be remaining functional for a period of six years along with functionality of Farm-Equipment-on-Booking basis system described under point # ii. Short listed entity shall have to enter into an agreement with the department for satisfactory performance of the centers and the system for specified duration. This agreement shall be valid for a period of six years from the date of signing of the agreement and may be extended further on mutually agreed terms subject to the satisfactory performance of the CHCs.

iv. The short listed entity will ensure that the virtual hub created should provide services of trained manpower (drivers, operators & technicians) for carrying out different mechanized operations in the farmers field as per their:

   a. Preferred time
   b. Choice (of implements)
   c. Location

v. The short listed entity is expected to create appropriate facility for Manual and Automatic Order Booking, Real time Order Status Tracking, Real time Tractor Location tracking, Breakdown and Delay Management, Driver Management,
Implement Management either by phone to a toll-free call centre number OR through a mobile app OR through a web-site.

vi. Annual performance report of the virtual hub/custom hiring centers covering information on Hub wise, village wise usage of Tractors and implements, Hourly usage of implements and Customer wise history tracking the usage of implements shall be digitally generated and provided to department along with farmer database on crops and current practices, analytics on current practices and scope to increase usage of new technologies.

vii. A separate bank account shall be maintained for each CHC and the virtual hub and statement of accounts of financial transactions of the CHCs and Hub should be submitted annually to Department of Agriculture.

viii. Agriculture Department has right for inspection, physical verification or conduct of an enquiry for any grievances received from the consumer.

7. **PENALTIES FOR VIOLATIONS AND NON PERFORMANCE**

If the Custom Hiring Center do not run properly (failure or closing of the center), the concerned applicant should refund/ remit full Government share along with interest amount as per prevailing bank rate. However force majeure will be considered. Penalties also include forfeiting of bank guarantee, black listing and legal action.
### Salient Features of the Agro climatic Zones of Rajasthan

<table>
<thead>
<tr>
<th>No.</th>
<th>Agroclimatic Zone</th>
<th>Districts (Blocks)</th>
<th>Area, Million ha.</th>
<th>Rainfall Range, mm</th>
<th>Temperature, °C</th>
<th>Major Crops (2 - 4 No.)</th>
<th>Soils</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ia</td>
<td>Arid Western</td>
<td>Part of Barmer (Barmer, Balotra, Baytoo, Chohtan, Dhorimanna, Sindhari, Sheo) and Jodhpur (Balesar, Bap, Part of Bhopalgarh, Luni, Mandore, Osian, Phalodi, Shergarh)</td>
<td>4.56</td>
<td>216-496</td>
<td>40.0</td>
<td>8.0</td>
<td>Pearlmillet, Mothbean, Sesamum, Cumin</td>
</tr>
<tr>
<td>Ib</td>
<td>Irrigated North Western Plain</td>
<td>Ganganagar and Hanumangarh</td>
<td>2.06</td>
<td>183-344</td>
<td>42.0</td>
<td>4.7</td>
<td>Cotton, Clusterbean, Wheat, Mustard, Gram</td>
</tr>
<tr>
<td>Ic</td>
<td>Hyper Arid Irrigated Western Plain Partially</td>
<td>Bikaner, Jaisalmer and Part of Churu (Ratangarh, Sardarshahar, Sujangar)</td>
<td>7.70</td>
<td>192-420</td>
<td>48.0</td>
<td>3.0</td>
<td>Pearlmillet, Mothbean, Clusterbean, Gram</td>
</tr>
<tr>
<td>Ila</td>
<td>Transitional Plain of inland drainage</td>
<td>Nagaur, Sikar, Jhunjhunu and Part of Churu (Churu, Rajgarh, Taranagar)</td>
<td>3.71</td>
<td>266-627</td>
<td>39.7</td>
<td>5.3</td>
<td>Pearlmillet, Clusterbean, Pulses, Wheat, Mustard, Gram</td>
</tr>
<tr>
<td>IIb</td>
<td>Transitional Plain of Luni Basin</td>
<td>Jalore, Pali, Part of Sirohi (Reodhar, Sheoganj, Sirohi), Barmer (Siwana) and Jodhpur (Bilara, Part of Bhopalgarh)</td>
<td>3.17</td>
<td>139-1273</td>
<td>38.0</td>
<td>4.9</td>
<td>Pearlmillet, Clusterbean, Sesamum, Wheat, Mustard</td>
</tr>
<tr>
<td>IIIa</td>
<td>Semi arid Eastern Plain</td>
<td>Ajmer, Jaipur, Tonk, Part of Dausa (Bandikui, Dausa, Lalsot, Sikrai)</td>
<td>2.95</td>
<td>313-694</td>
<td>40.6</td>
<td>8.3</td>
<td>Pearlmillet, Clusterbean, Sorghum, Wheat, Mustard, Gram</td>
</tr>
<tr>
<td>IIIb</td>
<td>Flood Prone Eastern Plain</td>
<td>Alwar, Bharatpur, Dhaulpur, Karauli, Part of Dausa (Mahuwa) and Sawai Madhopur (Bamanwas, Bonli, Gangapur)</td>
<td>2.44</td>
<td>140-736</td>
<td>40.0</td>
<td>8.2</td>
<td>Pearlmillet, Clusterbean, Groundnut, Wheat, barley, Mustard, Gram</td>
</tr>
<tr>
<td>IVa</td>
<td>Sub humid Southern Plain</td>
<td>Bhilwara, Chittaurgarh, Rajsamand, Part of Sirohi (Abu Road, Pindwara), Udaipur (Badgaon, Bhinder, Girwa, Gogunda, Kherwara, Kotra, Jhadol, Mavli, Sarada) and Pratapgarh (Choti Sadri, Pratapgarh)</td>
<td>3.76</td>
<td>0.92</td>
<td>311-1470</td>
<td>38.6</td>
<td>8.1</td>
</tr>
<tr>
<td>IVb</td>
<td>Humid Southern Plain</td>
<td>Dungarpur, Banswara, Part of Udaipur (Salumber) and Pratapgarh (Dhariyawad, Peepalkhunt, Arnod)</td>
<td>1.20</td>
<td>0.57</td>
<td>511-1043</td>
<td>39.0</td>
<td>7.2</td>
</tr>
<tr>
<td>V</td>
<td>Humid South-Eastern Plain</td>
<td>Baran, Bundi, Jhalawar, Kota, Part of Sawai Madhopur (Khandar, Sawai Madhopur)</td>
<td>2.69</td>
<td>1.27</td>
<td>452-985</td>
<td>42.6</td>
<td>10.6</td>
</tr>
</tbody>
</table>

Source: Rajasthan Agriculture Statistics at a glance 2009-10 and present TAHAL STUDY (Report #4.9-IN 24740-R13-080) - Integrated State Water Resources Plan