

No. 4/12/2007-Plant.-B
Government of India
Ministry of Commerce & Industry
Department of Commerce

New Delhi dated the 25th April, 2008.

To

The Chairman,
Coffee Board,
No. 1, Dr. B.R. Ambedkar Veedhi,
Bangalore.

Subject: Implementation of the Schemes of (I) 'Support for Coffee Processing' and (II) 'Export Promotion of Coffee', by the Coffee Board during the XIth Five Year Plan (2007-2012) - reg.

Sir,

I am directed to refer to the Coffee Board's SFC proposals on the above-mentioned subject and to convey the approval of the Government of India to the implementation of the schemes of (I) 'Support for Coffee Processing' and (II) 'Export Promotion of Coffee' by the Coffee Board during the XIth Five Year Plan (2007-2012) with an outlay of Rs.45 crore (Rupees forty five crore only) each, as per details given hereunder:

(I) Scheme of Support for Coffee Promotion:-

- (i.) To provide subsidy @ 25% of the cost of machinery for setting up of coffee processing unit like roasting, grinding, packaging subject to maximum of Rs. 25 lakhs per units in the case of individuals.
- (ii.) In case of Self Help Groups and small growers' collectives, the scale of subsidy will be @ 40% subject to ceiling of Rs. 40 lakhs per unit.
- (iii.) 20% of the beneficiary units under the scheme shall be located in non-traditional coffee consuming states.

(II) Scheme of Export Promotion of Coffee:-

- (i.) Incentive @ Rs.2/Kg. of value added coffees being exported as India Brands.
 - (ii.) Incentives @ Rs. 1/Kg. to export high value coffees to far off markets i.e. USA, Canada and Japan.
 - (iii.) Other components of the scheme i.e. participation in trade fairs, BSMs, cupping sessions, India coffee brands promotion initiatives, visit of roaster delegation, website management, participation in ICO meets, institutions of export awards, organising cupping competitions and establishment/overheads.
 - (iv.) 5% of the export incentives to flow towards exporters from non-traditional areas.
2. The Board will send the quarterly physical and financial performance report about the status of the implementation of the scheme to this Department.
 3. The expenditure for implementing the scheme will be met by the Board out of the approved plan funds of the Board during the XIth Plan period and no additional/ separate funds would be provided to the Board for this purpose.
 4. This issues with the concurrent of Finance Division of this Department vide their Dy. No. 1115 /FD/2008 dated 24/4/2008.

Yours faithfully,

(Vijay Kapoor)
Under Secretary to the Govt. of India
Tel. (011) 2306 2618