

No. R-11016/2/2020-I&P
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture, Cooperation & Farmers Welfare
Cooperation Division

Krishi Bhawan, New Delhi
Dated the 31st July, 2020

Subject: - Central Sector Scheme of Financing Facility under Agriculture Infrastructure Fund

The undersigned is directed to refer to subject cited above and to circulate minutes of the meeting held with State Governments, ROs of NABARD, DDMs of NABARD and SLBC of North Eastern Region through video conferencing at 11 AM on 28.07.2020 organized by DAC&FW regarding Central Sector Scheme of Financing Facility under Agriculture Infrastructure Fund.

2 It is requested that immediate necessary action may kindly be taken on action point emerged during discussion of the meeting and action taken report in this regard be sent to this Department at the earliest.

Enclosure-as above



(K.R. Meena)
Director (CPC)

Tel. No. 23386224

e-mail ID: krmeena.ofb@ofb.gov.in

To,

- (i) The Principal Secretaries Cooperation, The Principal Secretaries Agriculture and Registrar of Cooperative Society of State / UT Govt. of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura
- (ii) RO NABARD and DDMs , NABARD (Through RO NABARD) in these States/UTs
- (iii) Nodal Officer, NABARD HQs
- (iv) Heads of SLBCs in these States/UTs
- (v) US(IT), DAC&FW/NIC to upload on the website of this Department under page Agriculture Reforms

Copy to :-

- (i) PPS to Secretary, DAC&FW
- (ii) PPS to Joint Secretary (Cooperation), DAC&FW

Minutes of the meeting held with State Governments, ROs of NABARD, DDMs of NABARD and SLBC of North Eastern Region through video conferencing at 11 AM on 28.07.2020 organized by DAC&FW regarding Central Sector Scheme of Financing Facility under Agriculture Infrastructure Fund.

List of Participants are Annexure-A

At the outset, Shri Vivek Aggarwal, Joint Secretary, DAC&FW welcomed all the participants of State Government Departments of Cooperation, Agriculture and RCS, SLBC and NABARD Regional Offices and briefed about the purpose of the meeting about quick implementation of financing facility under Agriculture Infrastructure Fund

2 Shri Vivek Aggarwal, Joint Secretary, DAC&FW made a presentation on the scheme and informed that the operational guidelines of the scheme have already been circulated. He further informed that a letter has been sent to all States /UTs for appointment of State Nodal Officer (SNO). Joint Secretary highlighted seven key points that require immediate attention viz. (i) Appointment of State Nodal Officer, (ii) Identification of agricultural cooperative societies, FPOs and other farmer collectives which are active in states and can take benefit of this financing facility, (iii) activation of Project Monitoring Unit (PMU) for which funds will be provided by DAC&FW and required support will be given by NABARD Regional offices and NABCONS (iv) need to immediately convene meetings of SLMC and DLMC (v) Handholding for preparation of good Detailed Project reports of infrastructure for identified cooperatives, FPOs etc. (vi) Identification and convergence of existing State and Central Government scheme with this financing facility where benefits under this financing facility will be top up over the benefits of other schemes to support eligible agriculture infrastructure projects (vii) NABARD and State Government officials to conduct meeting of State level Bankers committee and District level bankers committee to create awareness amongst the bankers and to distribute targets to the banks based on the overall fund allocation of state under the financing facility of agriculture infrastructure fund.

3 JS, DAC&FW, then presented main features of the scheme. This financing facility will create agriculture infrastructure to avoid food wastage and allow farmers to have

bargaining capacity and get better price for their produce through e-trading platform ,warehouses, assaying, grading, packing units etc. It will be beneficial for Farmer collectives like FPOs, cooperatives and it also act as impetus for young entrepreneurs to take up agri startups with much more enthusiasm. Even large wholesalers and retailers can participate in taking up agri infrastructure projects and get benefit under this financing facility.

The benefit of interest subvention and credit guarantee is available upto a loan amount of 2 crore however the loan can be of more than 2 crore. This financing facility will be a top up benefit and can be converged with other state and central govt. scheme. A single window facility through an online portal will be launched in collaboration with the lending institutions. This portal will provide options of online application of loan, transparency about the lending rates of various lending institutions and MIS system for effective monitoring of the scheme. 40 % of total financing facility can be funded by 1st April 2021 (10000 crore in first year + 30000 crore for second year). Need based Refinancing facility will be provided by NABARD. Projects that can be taken under this facility includes, cold chains, warehouses, logistics, silos ,grading & assaying units and similar infrastructure to be operated on PPP model. For proper monitoring of the scheme National level, State level and District level monitoring committee will be constituted.

Tentative allocation of financing facility for various North-Eastern states was discussed, for Assam allocation of 2050 crore rupees is available, similarly allocation for Tripura, Nagaland, Manipur, Mizoram, Meghalaya and Sikkim is 360 crore, 230 crore, 200 crore, 195 crore, 190 crore and 56 crore respectively. These are tentative allocations, if any state has more projects that can be funded under this financing facility they can take up such projects even beyond this allocation.

4 Representative from Directorate of Agriculture, Assam appreciated the scheme and assured that the SLMC will be constituted within a week. Moreover, large scale awareness will be created among entrepreneurs and PMU will be set up as soon as possible.

5 CGM, NABARD RO Assam raised question regarding the tentative allocation of fund. To which JS clarified that this 2000 crore allocation is actually the amount of loan to be sanctioned in Assam for which GOI will be giving benefit of interest subvention and credit guarantee.

6 Mr. Sarkar from Directorate of Agriculture Tripura informed that this financing facility will be very helpful for horticulture sector of the state and it will also strengthen the FPOs and marketing cooperatives of the state.

7 Mr. Shantanu Joint Secretary from Directorate of Agriculture, Meghalaya informed that the SLMC and DLMC will be constituted soon and major beneficiary in Meghalaya will be FPOs and SHGs apart from PACS. Query was raised regarding the credit guarantee component of scheme. JS,DAC&FW clarified that upto a loan amount of 2 crore, there will be no collateral required as credit guarantee will be provided under this scheme for which credit guarantee fee will be paid by the GOI and in case of FPO the credit guarantee will be given under the existing scheme for promotion of FPO. and notifications will be issued shortly regarding the credit guarantee on loan availed by PACS from DCCBs. Mr. Shantanu also inquired about back ended nature of interest subvention scheme to which JS clarified that the interest subvention will be paid on first disbursement so the moment loan is sanctioned and disbursed, the beneficiary will be charged only the residual interest.

8 Shri AK Sarangi from NABARD RO Meghalaya informed meeting with SLBC will be conducted soon and will remain in direct touch with state agriculture department to take the scheme forward.

9 Ms Leivang from NABARD RO, Nagaland informed that RO is in continuous touch with state department. Ms. Leivang inquired about role of NABCONS in the Scheme, to which JS replied that NABCONS will act as a coordinator between central and state government so that the release of fund is smooth and MIS data is updated timely. NABCONS will also help to activate the PMU and coordinate with the lending institutes. RO also raised query about cap on interest rate under the financing facility to which JS clarified that the lending rate will be capped at 100 basis above the MCLR of respective

lending entity. Need based refinancing by NABARD is also kept at a very reasonable rate. RO also raised doubt regarding the MoU to be signed, to which JS replied that the MoU will be signed between DAC&FW and lending entities.

10 NABARD RO, Arunachal Pradesh informed that they are in touch with the State Government for organizing meeting to discuss the way forward but due to lockdown, meeting will be possible in next week. RO also asked to take an existing committee of FPO promotion as SLMC for this financing facility. JS clarified that the committees will be notified separately but they can have joint meetings.

11 NABARD RO, Gangtok informed that the meeting with state department could not be convened due to lockdown in Sikkim and major challenge for this scheme is presence of only commercial banks in the state. JS suggested that Sikkim being an agriculturally organic state, organic inputs for crops can be identified and manufacturing infrastructure for these inputs can be established. Moreover, the challenge of aggregation of organic produce and further transport to far flung markets can be tackled by building suitable infrastructure for these activities under this scheme. Hub and Spoke model can also be approached for such projects. Apart from this, capital subsidy from state scheme can be used to make projects more viable. A comprehensive project for whole state should be formulated.

12 NABARD RO, Assam appreciated the scheme and idea of involving NABCONS as coordinator. RO also informed that there are 775 PACS associated with DCB which are in good health. JS informed that this is the opportunity to provide intermediate infrastructure to help farmers.

13 NABARD RO, Manipur informed that besides agriculture and Horticulture, piggery and animal husbandry is important activity for which availability of organic feed is necessary and appealed JS to include organic feed manufacturing infrastructure under this financing facility. JS clarified that the organic feed manufacturing projects can avail the benefits of this financing facility under animal husbandry fund. JS also suggested to motivate the farmers, wholesaler and retailers to take up these infrastructure projects

and receive benefit of financing facility and NABARD should help in preparing a comprehensive plan for whole state.

14 Ms Leivang from NABARD RO, Nagaland inquired about eligibility of a carriage vehicle in conjunction with the farm gate infrastructure. JS clarified that Refer vans or any other specialized transportation / logistics can be included along with the storage facility.

15 DDM Darang, Assam asked about the convergence of this financing facility with already existing credit linked subsidy scheme. JS clarified that interest subvention will be given from this financing facility under agri infrastructure fund and capital subsidy can be availed through other credit linked subsidy scheme.

16 DDM from Assam informed that time taken for sanctioning of loan is major challenge for such scheme and suggested to include some timeline for sanctioning of loan. JS assured that a suitable timeline for sanctioning of loan will be decided and incorporated in the guidelines of the scheme.

17 Dr. Hargopal from NABARD HO, informed that mail regarding the list of DDMs and Role of DCCBs and their inclusion in the scheme has been sent to the DAC&FW.

18 In concluding remarks, JS thanked all the participants and urged to work as a team to make a valuable contribution to the Nation and farmers of our country.

Annexure-A

Minutes of the meeting held with State Governments, ROs of NABARD, DDMs of NABARD and SLBC of North Eastern Region through video conferencing at 11 AM on 28.07.2020 organized by DAC&FW regarding Central Sector Scheme of Financing Facility under Agriculture Infrastructure Fund.

List of Participants are as under:-

DAC&FW

1. Shri Vivek Aggarwal, Joint Secretary (Cooperation)- In Chair
2. Shri K.R.Meena, Director (CPC)
3. Shri Chandra Shekhar Prasad, Section Officer (I&P/CPC)

States

Representative of Cooperation, Agriculture and RCS Department of State / UT Govt. of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura and RO NABARD and DDMs , NABARD in these States/UTs

