

Scheme for setting up of Agriclinc and Agribusiness centers

With the diversification and modernisation of agricultural practices, there is a need to augment support and extension services for agriculture. For this purpose, a scheme for setting up agriclincs and agribusiness centres by agriculture graduates has been launched by Gol with the support of NABARD. These centres will provide a package of input facilities, consultancy and other services. They will strengthen transfer of technology and extension services and also provide self employment opportunities to technically trained persons. MANAGE is the nodal agency for imparting training under the scheme. List of trained graduates is sent to various banks in the region for financial assistance. As on 31.7.2005, 8364 agri graduates have received the training and 1988 ACABC units have been set up across the country.

Initiatives taken for promotion of the Scheme

- i. RBI has classified loans to agri-clinics and agribusiness centres as direct agricultural loans, even though input supply is normally classified as indirect loans to agriculture.
- ii. Margin money/collateral requirement has been waived for loans upto Rs.5 lakh.
- iii. Refinance support under ARF is being allowed. Shortfall in margin money/down payment by the borrower can be supported out of 'soft loan margin money assistance fund' of NABARD subject to a maximum of 50% of margin prescribed by banks. Such soft loan assistance for margin money from NABARD to banks would be without interest, but the banks may levy service charge which is 2% p.a.(reduced from 5%).
- iv. Soft loan assistance for margin money may be availed irrespective of availment of refinance from NABARD.
- v. Rate of interest on refinance from NABARD has been fixed at 5.5% irrespective of the size of the loan.
- vi. Six months' expenses for setting up of units is allowed to be capitalised and included in the project cost.
- vii. District level task force has since been constituted for selection of projects and recommending the same for bank loan assistance. Lead District Manager, DDM, NABARD, representative from the nodal training institution and other leading bankers are members of the district level task force.
- viii. A target of financing at least 10 units of Agriclincs & Agribusiness Centres. in each district has been set. Concerted efforts have been initiated to increase the credit flow for the activity.
- ix. NABARD has furnished the list of eligible trained graduates to the State Level Bankers' Committee (SLBC) through ROs, besides regular monitoring of the scheme is done in the state & district level co-ordination committees.

- x. Nodal officers have been identified at the NABARD RO level to monitor effective implementation of the scheme
- xi. NABARD has been providing faculty support to nodal institutions wherever required, and DDMs have been asked to actively associate in proper implementation of the scheme.
- xii. Nine activities have been made eligible by Ministry of SSI, GOI for coverage under the Credit Guarantee Fund Scheme for small industries.