

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO.3563
TO BE ANSWERED ON THE 8TH AUGUST, 2017

SMALL FARMERS AGRI-BUSINESS CONSORTIUM

3563. SHRI TEJ PRATAP SINGH YADAV:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the Government has set up Small Farmers' Agri-Business Consortium (SFAC) in various States and if so, the details thereof including functions performed by SFAC;
- (b) the details of projects/schemes being implemented, funds sanctioned and physical achievements/progress made so far under the SFAC, State-wise;
- (c) whether the SFAC has not been able to make much impact on the agriculture sector and if so, the reasons therefor;
- (d) whether the Government has reviewed the functioning of SFAC to make it more effective; and
- (e) if so, the steps being taken by the Government in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI PARSHOTTAM RUPALA)

(a): Yes, Madam. The Government established Small Farmers' Agri-Business Consortium (SFAC) as a Society in 1994 to facilitate agri-business ventures by catalyzing private investment through Venture Capital Assistance (VCA) Scheme in close association with financial institutions. The setting up of State level SFAC as counterpart agency of Central SFAC for agribusiness projects was part of the Scheme. The Scheme envisaged a corpus contribution from Central SFAC of Rs. 50.00 lakh to each State which establishes a State Level SFAC. So far, 21 States have received funds for Central SFAC for setting up of State SFAC as per details given in Annexure-I.

The role of State SFACs is to aggressively promote agribusiness project development in their respective States. The main functions of SFAC are:

- (i) Promotion of development of small agribusiness through VCA scheme;
- (ii) Helping formation and growth of Farmer Producer Organizations (FPOs) / Farmer Producer Companies (FPCs);

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- (iii) Improving availability of working capital and development of business activities of FPOs/FPCs through Equity Grant and Credit Guarantee Fund Scheme;
- (iv) Implementation of National Agriculture Market (e-NAM) Electronic Trading platform.

(b): At present, SFAC is implementing the following schemes:

1. Agri-Business Development (ABD) through Venture Capital Assistance (VCA) and Project Development Facility (PDF).

The Scheme aims to facilitate the promotion of agri-business projects establishing backward linkages with farmers, providing assured market to their produce, thereby generating employment and enhancing farmers' income. SFAC partnership with various PSU banks has so far helped support 1674 projects across the country, investing a total of Rs. 495.36 Crores in venture and helping to leverage Rs. 5950.76 Crores in total project investment. This has created 81396 direct employment and linked approximately 1.53 lakhs Farmers to these units. A statement on State-wise sanction of VCA is given in Annexure-II.

2. Equity Grant and Credit Guarantee Fund Scheme for Farmer Producer Companies:

The scheme has two components as given below:

(a) A grant of upto Rs. 10.00 lakh to each registered Farmer Producer Company is given to match the member equity raised by the institution. This enhances the equity base of the FPC and enable it to approach financial institutions for raising working capital. SFAC has been sanctioned Equity Grant to 127 Farmer Producer Companies amounting to Rs.7.04 Crore to enable them to leverage working capital from financial institutions. A statement on state-wise progress is given in Annexure-III.

(b) Credit Guarantee Fund (CGF) has been set up in SFAC with a corpus of Rs. 100.00 Crores. The CGF will offer a cover of 85% to loans extended by banks to Farmer Producer Companies without collateral, upto a maximum of Rs. 1.00 Crore. Under the Scheme, 21 projects in five states have been sanctioned credit guarantee of Rs. 9.31 Crore till date. State-wise details are as below:

State	Total	
	No. of Projects	Credit Guarantee cover Sanctioned (Rs. In lakh)
Kerala	1	63.75
Rajasthan	2	39.10
Madhya Pradesh	7	382.36
Maharashtra	1	38.25
Tamil Nadu	9	365.30
Total	21	931.26

Price Stabilisation Fund:

SFAC is one of the Central Procurement Agencies for pulses and oilseeds under Price Stabilisation Fund of Department of Consumer Affairs.

(c): SFAC has made substantial impact in the agriculture sector. SFAC has emerged as a developmental Institution with its core aim and objective focused on increased production and productivity, value addition, provision of efficient linkages between producers and consumers. This has resulted in enhancing the yields and incomes of farmers/producers groups as well as created jobs in the rural areas.

(d) & (e): The Government has reviewed the functioning of SFAC from time to time. Based on the review the annual action plans are formulated and associated budgets are released.

Details of State SFACs and Funds Released

Sr.No.	State SFAC	Amount Released as corpus (Rs. in lakh)
1.	Arunachal Pradesh	50.00
2.	Assam	50.00
3.	Himachal Pradesh	50.00
4.	Jharkhand	25.00
5.	Kerala	50.00
6.	Karnataka	25.00
7.	Madhya Pradesh	50.00
8.	Maharashtra	50.00
9.	Meghalaya	50.00
10.	Manipur	50.00
11.	Mizoram	50.00
12.	Nagaland	50.00
13.	Punjab	50.00
14.	Sikkim	50.00
15.	Tamil Nadu	50.00
16.	Tripura	50.00
17.	Uttar Pradesh	25.00
18.	Uttaranchal	25.00
19.	Rajasthan	25.00
20.	Bihar	25.00
21.	Gujarat	50.00
	Total	900.00

Details of Statewise release of funds under Venture Capital Assistance (VCA)

Sr.No.	State	Total	
		No. of projects	Fund released (Rs. in lakh)
1.	Andhra Pradesh	21	705.74
2.	Arunachal Pradesh	4	294.39
3.	Assam	24	965.78
4.	Bihar	4	131.90
5.	Gujarat	204	6817.14
6.	Goa	1	54.33
7.	Haryana	73	2630.30
8.	Himachal Pradesh	63	2275.39
9.	Jammu & Kashmir	42	1689.15
10.	Karnataka	161	3864.21
11.	Kerala	40	663.88
12.	Madhya Pradesh	77	1956.10
13.	Maharashtra	324	8240.15
14.	Manipur	11	203.21
15.	Meghalaya	3	99.55
16.	Nagaland	9	188.85
17.	Orissa	2	12.05
18.	Punjab	29	872.45
19.	Rajasthan	146	4164.01
20.	Tamil Nadu	83	2603.39
21.	Uttar Pradesh	201	6604.59
22.	Uttarakhand	35	1791.32
23.	West Bengal	7	238.62
24.	Mizoram	1	155.43
25.	Chhattisgarh	97	1829.62
26.	Tripura	3	185.84
27.	Jharkhand	2	82.01
28.	Telangana	7	216.92
	Total	1674	49536.32

Details of Assistance under Equity Grant

Sr.No.	State	Total	
		No. of Cases	Amount of Equity Grant (Rs. in lakh)
1.	ANDHRA PRADESH	1	1.40
2.	BIHAR	1	2.57
3.	GUJARAT	5	34.96
4.	HARYANA	4	25.52
5.	KARNATAKA	1	4.93
6.	KERALA	1	6.85
7.	MADHYA PRADESH	36	140.93
8.	MANIPUR	1	5.66
9.	MAHARASHTRA	14	88.15
10.	RAJASTHAN	3	21.95
11.	TAMIL NADU	23	163.65
12.	TELANGANA	3	12.01
13.	UTTAR PRADESH	13	86.33
14.	UTTARAKHAND	1	10.00
15.	WEST BENGAL	20	99.94
	TOTAL	127	704.86
Out of 127 cases, 8 FPC has taken 2nd tranche of Grant			
