

**GOVERNMENT OF INDIA  
AGRICULTURE AND FARMERS WELFARE  
LOK SABHA**

UNSTARRED QUESTION NO:3563  
ANSWERED ON:08.08.2017  
Small Farmers Agri-Business Consortium  
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**Will the Minister of AGRICULTURE AND FARMERS WELFARE 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

???? ??? ????? ?????? ????????? ??? ????? ?????? (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);
- Contdâ€¦2/-

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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.