

Linking smallholders to the agri value chain

Venture Capital Assistance Scheme

Small Farmers' Agribusiness Consortium
(Dept. of Agriculture and Cooperation)
Govt. of India



लघु कृषक कृषि व्यापार संघ
भारत सरकार, कृषि मंत्रालय

About SFAC

- SFAC is a Society established by DAC, GOI, chaired by Hon. Agriculture Minister
- RBI, NABARD, PSBs are original promoters of SFAC
- Notified as financial institution under RBI Act
- Mission: To link smallholders to investments, technology and markets.

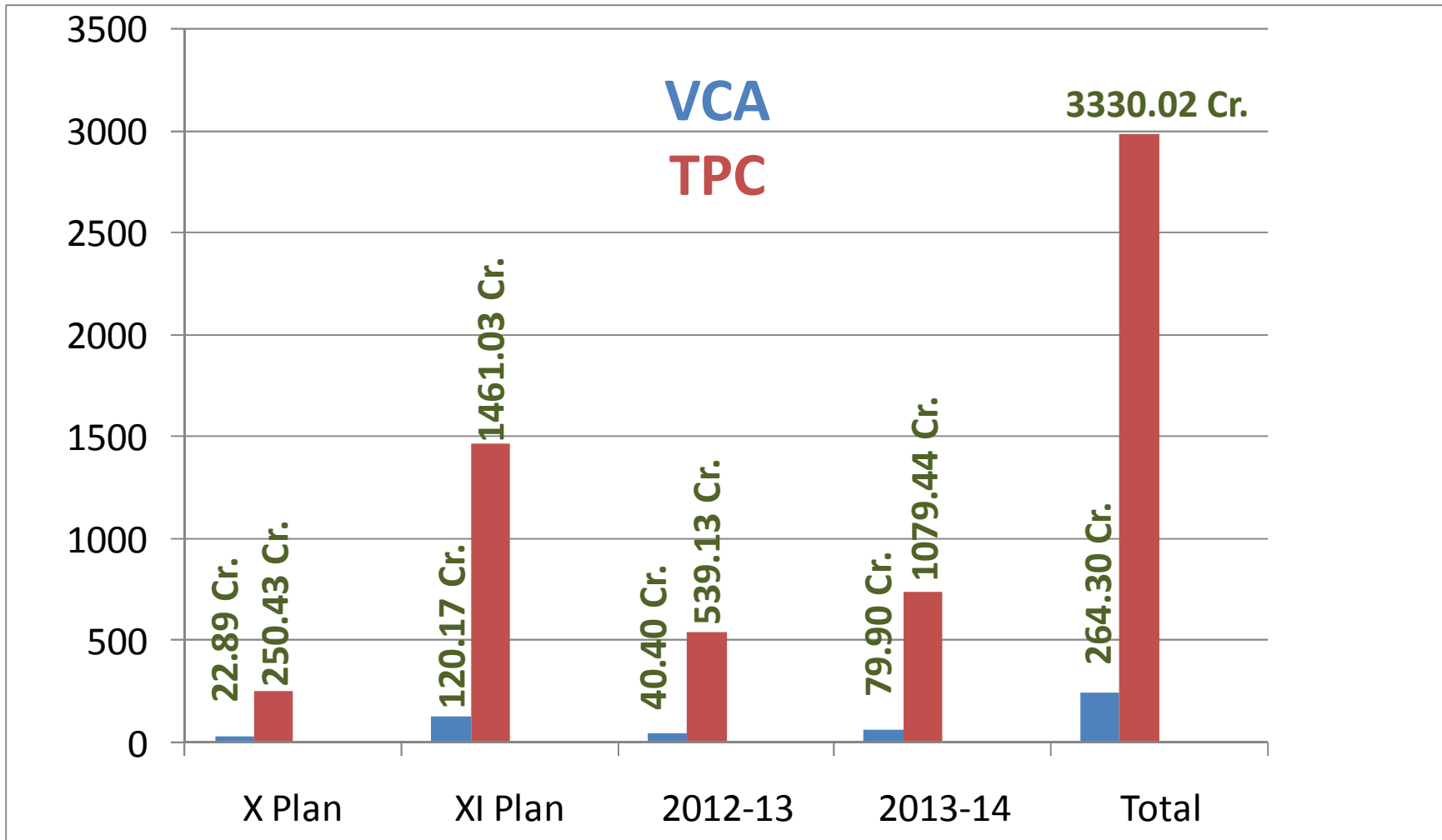
Venture Capital Assistance Scheme (VCA)

- VCA: It is an interest free loan provided by SFAC, always in conjunction with a bank loan, for setting up of agribusiness projects (*including Dairy and Poultry*) up to a project cost of Rs. 500 lakh
- VCA Amount: 40% of promoter's equity or Rs. 50.00 lakh whichever is lower in NER/Hilly States (26% of promoter's capital in rest of the country).
- Minimum project size: Rs. 15.00 lakhs (Rs. 10.00 lakhs in NE and backward districts)
- Tenure: Same as that of Term Loan sanctioned by bank/FI
- Individual entrepreneurs, coops, FPOs, SHGs, companies etc. all eligible to apply
- Assistance to prepare DPRs through empanelled consultants of SFAC/State SFACs

Eligible Lending Institutions

1. SBI and its subsidiaries
2. Nationalized Banks
3. RRBs
4. IDBI
5. SIDBI
6. NABARD
7. NCDC
8. NEDFi
9. Exim-Bank
10. State Financial Corporation

VENTURE CAPITAL ASSISTANCE SCHEME



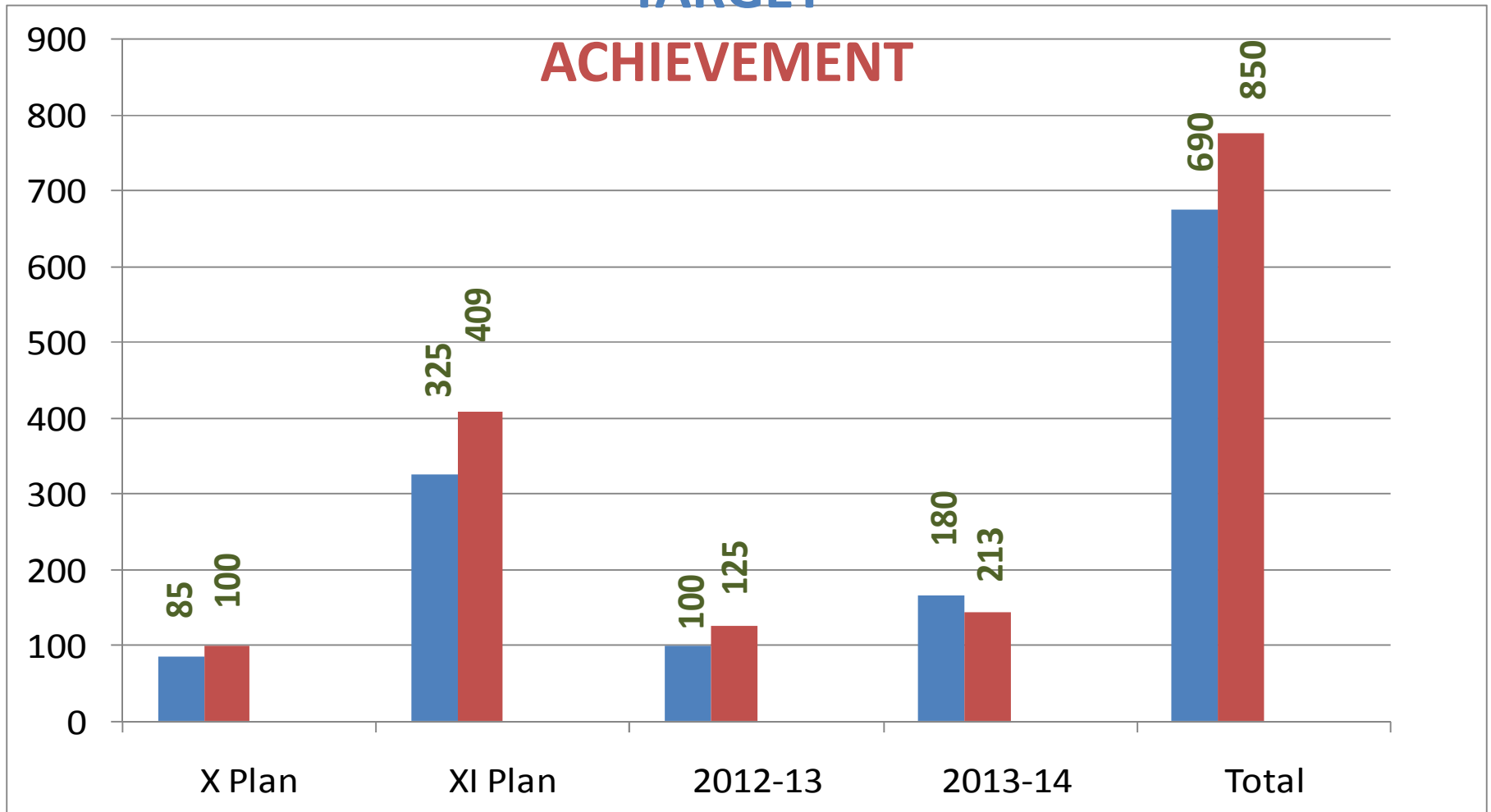
Total VCA disbursed Rs. 264.30 Cr ; Total Project Value: Rs.3330.02 Cr benefitting approximately 1.20 lakh farmers; generating employment of 53364 persons.

VENTURE CAPITAL ASSISTANCE SCHEME

Physical Status

TARGET

ACHIEVEMENT



State-wise break-up 850 Projects

Maharashtra	199	Madhya Pradesh	11
Uttar Pradesh	121	Nagaland	09
Karnataka	94	Manipur	08
Gujarat	67	Chhattisgarh	04
Tamil Nadu	66	West Bengal	04
Rajasthan	41	Arunachal Pradesh	03
Haryana	40	Meghalaya	02
Himachal Pradesh	38	Tripura	01
Kerala	35	Goa	01
Jammu & Kashmir	31	Bihar	01
Uttarakhand	25	Jharkhand	01
Andhra Pradesh	19	Mizoram	01
Assam	15	Orissa	01
Punjab	12		

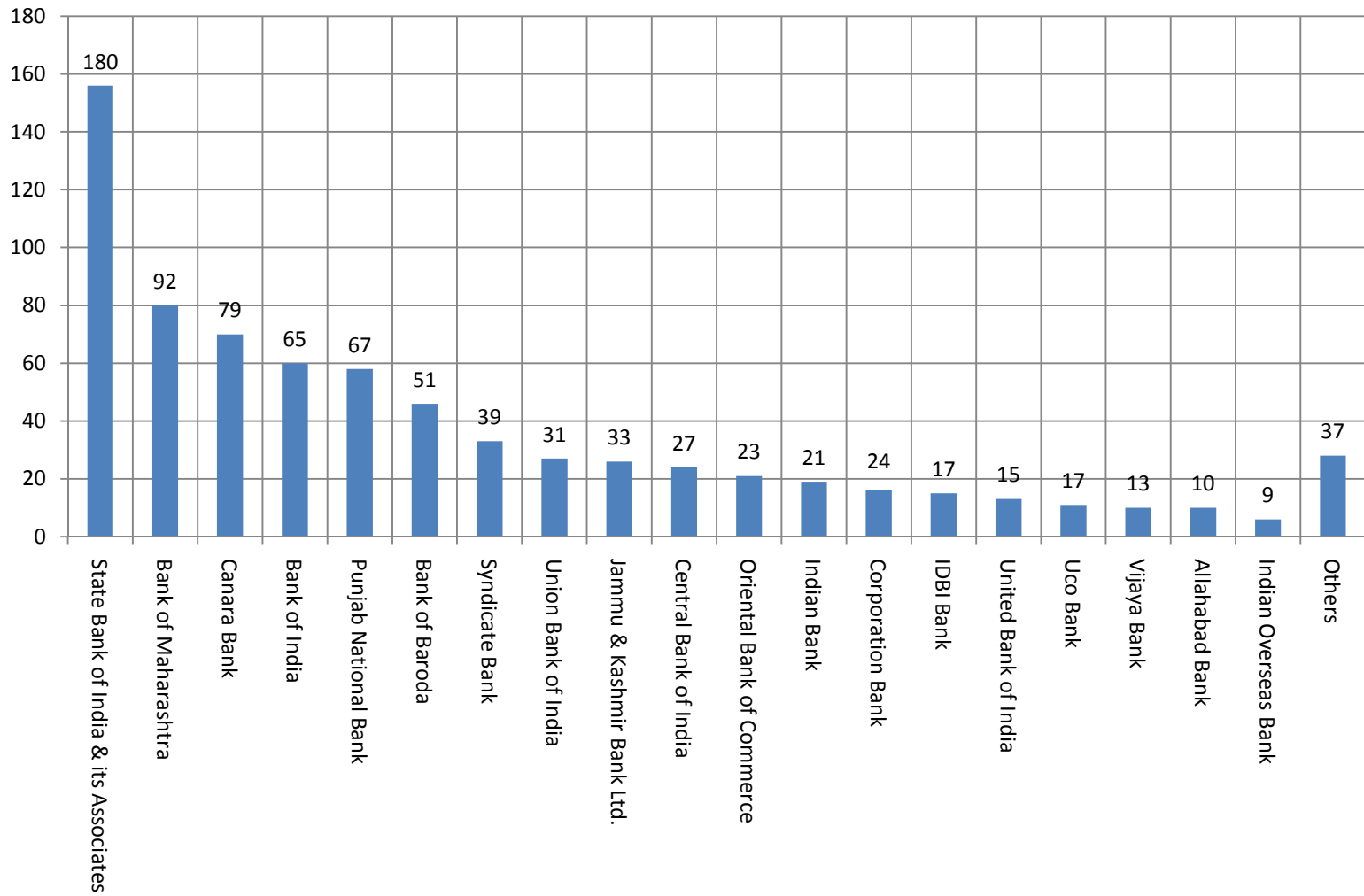
North Easter Region

Assam	15
Nagaland	09
Manipur	07
Arunachal Pradesh	03
Meghalaya	02
Tripura	01
Mizoram	01

Activity-wise break-up 850 Projects

Cold storage	228	Bamboo	7
Misc. fruits & vegetables	139	Pineapple	8
Mango	53	Potato chips	9
Cashew	57	Sago	6
Grapes/Raisin	49	Banana Ripening	6
Onion & Garlic Dehydration	31	Ginger	4
Coconut	35	Honey	3
Poly house	30	Patchouli (medicinal plant)	3
Guar Gum	34	Pomegranates	3
Mushroom	21	Chicory	2
Herbal Extracts	11	Coconut shell charcoal	2
Misc. Spices	11	Lavender Oil	2
Pickles/Sauces/Jam	12	Nutmeg/Pepper	2
Fisheries	11	Anticancer drug /Menthol mint	2
Gherkins	9	Cardamom/Organic compost	2
Peas	9	Ester/Bio-Fuel/Lemon Grass	2
Aloe Vera	7	Bio-Diesel from Jatropha	1

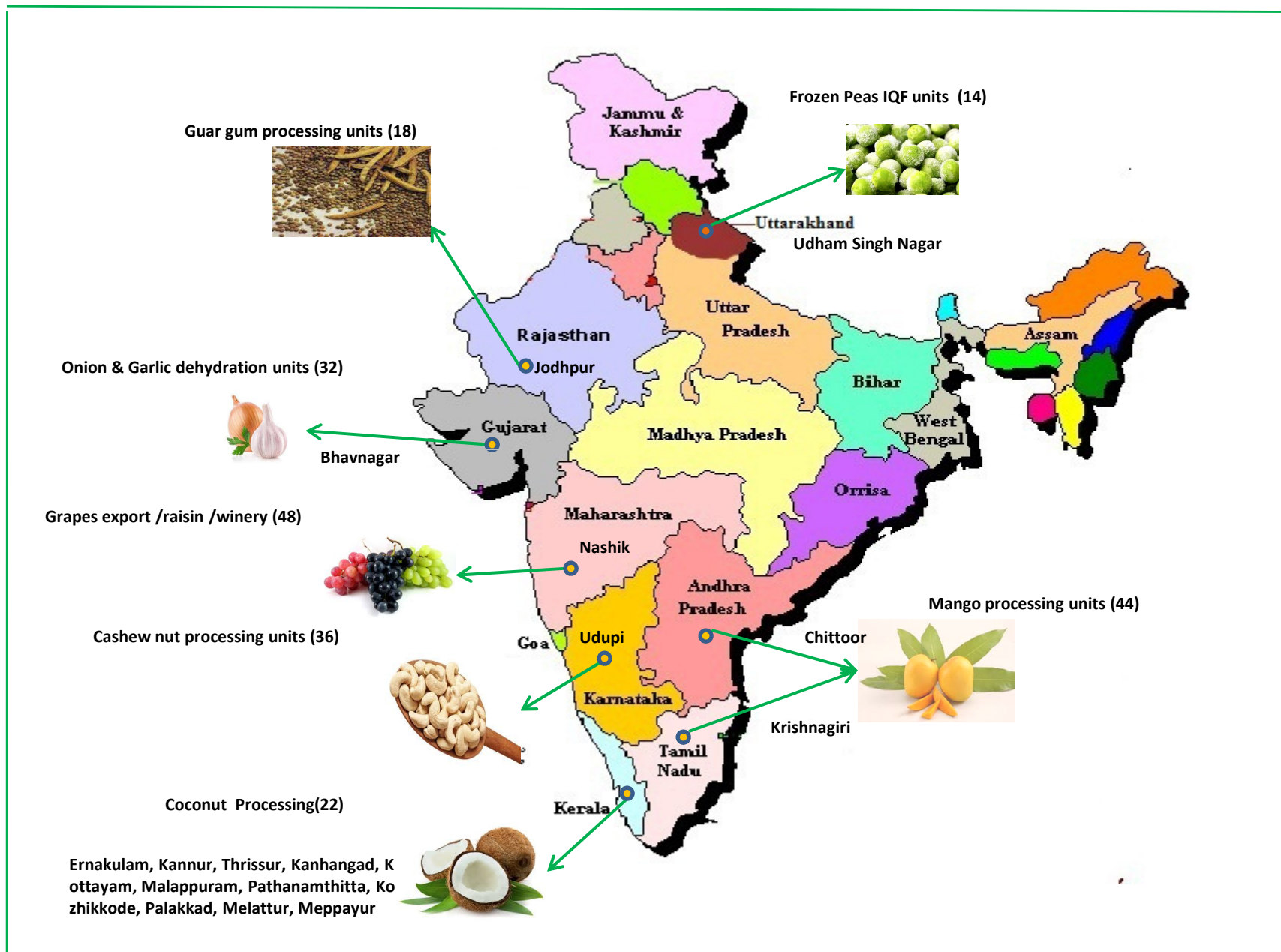
Bank-wise VCA Sanctions of 850 projects



AMOUNT WISE BREAK UP OF VCA

Range	Total No. of VCA Projects	Total amount of VCA (Rs. in Crores)
Below 25.00 lakh	451	59.18
Rs. 25.00 Lakh - Rs. 50.00 Lakh	243	86.75
Rs. 50.00 Lakh - Rs. 100.00 Lakh	145	98.27
Above Rs. 100.00 lakh	11	20.10
Total	850	264.30

Processing units funded by SFAC under VCA scheme



VCA in XII Plan

- Proposed outlay: Rs 500 crores
- No. of units to be invested: 1000
- Focus on farmer producer organisations
- Lowering investment threshold from Rs. 50 lakhs to Rs. 10 lakhs (lower for NE/backward)
- Increasing number of FI partners
- Expanding list of eligible activities to include agri services, dairy and poultry

Issues for banks

- Awareness building among branches about both Schemes
- Identification of cases for sponsorship
- Identification of cases for preparing DPRs
- Participation in SFAC-sponsored district level awareness camps

Thank You