

PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA

\*\*\*\*\*

**\$24.3 MILLION ADB LOAN TO BOOST INVESTMENT IN MAHARASHTRA  
AGRIBUSINESS INFRASTRUCTURE**

New Delhi: Pausha 28, 1933  
January 18, 2012

The Government of India and the Asian Development Bank (ADB) today signed an agreement for the second tranche (US \$ 24.3 million) under the US \$ 170 million Agribusiness Infrastructure Development Investment Programme which is a multi-tranche financing facility. The loan is to continue modernization efforts in Maharashtra state's horticultural industries and will expand agricultural value chains and better integrate small-scale farmers into value chains in Nashik and Aurangabad-Amravati regions.

The programme will build physical and institutional links along horticulture integrated value chains (IVCs), which include farmers, processors, agribusiness entrepreneurs, and service providers, a central goal of the Indian government. This will help farmers, traders and other value chain stakeholders to improve their products and processes, become competitive and adapt to changes in end markets.

The signatories were Mr. Venu Rajamony, Joint Secretary (Multilateral Institutions), Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India and Mr. Hun Kim, ADB, Country Director for India. Mr. N.L.Tadose, Joint Secretary (Marketing), signed on behalf of the state government of Maharashtra.

Speaking on the occasion, Shri Rajamony said that the Agribusiness Infrastructure Development Investment Programme fills gaps in agribusiness infrastructure value chains from farm gate to market. He stated that this new integrated approach will promote a more inclusive agribusiness value chain and promote demand-driven farming among smallholder farmers.

Mr. Hun Kim, ADB Country Director for India said that the pioneering nature of the investment program is the application of public-private partnerships in agribusiness value chains. This will help shape future models for the agribusiness sector in India.

This second tranche loan from the ordinary capital resources of ADB has a 25-year term including a grace period of 5 years, commitment charges of 0.15% and interest rate to be determined in accordance with ADB's LIBOR-based lending facility. The Government of Maharashtra will provide counterpart funds of \$6 million for a total second tranche project investment cost of \$ 30.3 million.

The Department of Cooperation, Marketing and textile of Government of Maharashtra is the executing agency of the project, which is expected to be implemented for a period of four years, finishing in 2015.

**DSM/SS/GN**