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GOVERNMENT OF INDIA**

**NABARD INITIATES A SLEW OF MEASURES FOR PROMOTING RURAL
CREDIT AND RURAL INFRASTRUCTURE**

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NABARD has initiated a slew of measures for improving rural credit and rural infrastructure particularly warehousing as decided at the 198th Meeting of the Board of Directors chaired by Dr Harsh Kumar Bhanwala, Chairman, NABARD, held here yesterday.

The Board has approved the launch of three crop specific Pilot Projects with production and post-production interventions to be implemented through Primary Agriculture Co-operative Society (PACS). The three Pilot Projects include business models for potato in Hooghly district, West Bengal, tomato in Karnal district, Haryana, and onion in Nasik district, Maharashtra. The total outlay for the projects is Rs 37.20 crore, comprising loan and grant support from NABARD of Rs 18.43 crore and Rs 2.43 crore respectively and a subsidy support of Rs 16.34 crore from the Central/State Governments.

The Pilot Projects envisage crop-specific market surveys, identification of specific market players and marketing support through establishment of Project Market Facilitation Centres (PMFCs). The Projects will provide for productivity enhancing measures and post-harvest interventions. These measures include support for irrigation particularly micro-irrigation, scientific storage facility, cold storages and setting-up of agro-service centres. The pilots will also support promotional interventions including field demonstrations, crop and activity specific training and capacity building of farmers, exposure visits, etc. for ensuring technology adoption by them.

NABARD has sanctioned 548 warehousing projects in seven states amounting to Rs 1,046 crore under the NABARD Warehousing Scheme (NWS). These projects on completion will create an additional storage scientific space of 11.30 lakh MT for agriculture commodities and also help in better price discovery for farmers.

NABARD Warehousing Scheme 2013-14 has been formulated as per the announcement made in the Union Budget with a corpus of Rs 5,000 crore. The scheme envisages financial support for construction of warehouses, godowns, silos, cold storages and cold chain infrastructure to store agriculture produce, both in public and private sectors.

As decided by its ALCO, NABARD has revised the rate of interest on refinance provided to banks for investment credit with effect from January 7, 2014. The refinance rate has been reduced by 20 basis points, and the revised rate of interest on refinance for a period of five years for Commercial Banks, State Cooperative Banks, Regional Rural Banks and Primary Urban Cooperative Banks will be 9.70%. The revised rate of interest for refinance for a period of three to five years will be 9.90%.

Further, banks drawing refinance of Rs 500 crore and more in a single drawal will be allowed further reduction of 10 basis points, making the effective rate 9.60% and 9.80% respectively. However, for State Cooperative Agriculture and Rural Development Banks (SCRDBs), 10 basis points reduction is allowed for a single drawal of Rs 200 crore and above.

These measures are expected to give a boost to banks for extending investment credit and creation of much-needed warehousing infrastructure for agricultural commodities in the country.
