

Government Subsidies and Schemes for Agribusiness in India

Garima¹ and Atul Dhingra²

¹Assistant Professor, Department of Business Management, Maharishi Markandeshwar Institute of Management, Mullana - Ambala, Haryana

²Professor & Head, Department of Business Management, CCS Haryana Agricultural University, Hisar, Haryana

SUMMARY

In India majority of population rely on agriculture and allied activities for their livelihood. Haryana is no exception either. In fact, it is considered as food bowl of India. Due to changing global trends in agriculture sector, farming is now being considered as an enterprise and farmer as an agripreneur. Agripreneur is the entrepreneur whose business is related with agriculture produce and allied sectors. In fact, now a day's most of the agricultural activities are being viewed as business activities like organic farming, mushroom cultivation, bee-keeping, poultry farming, high tech agriculture, protected cultivation etc. Agri-businesses just like other businesses have their own difficulties and problems. These problems include marketing, finance, production, human resources related problems. The purpose of this article is to disseminate different schemes and subsidies provided by government to agripreneurs so that they can easily run their agribusiness. This article is not only highlights the schemes but attempt has also been made to offer solutions and suggestions.

INTRODUCTION

The government has been taking commendable steps as well as making continuous efforts to enhance the agripreneurial activities in the country by introducing various schemes and programmes to enhance value added agriculture produce, market linkages and exports etc. Agri clinics & Agri business centre scheme has been started to provide start up trainings to farmers and youth about crop insurance, fodder management, post-harvest technology *etc.* to set up their own agri-businesses.



National Bee Board (NBB) has been developed by Ministry of Agriculture & Farmers Welfare (Government of India) for the overall development and advancement of scientific bee keeping. The purpose is increasing the efficiency of crop by pollination and also helps beekeepers in increasing profit by variety of honey production. Pradhan Mantri Kisan Scheme for Agro- Marine Processing and Development (SAMPADA) Yojana scheme is being executed by Ministry of Food Processing Industries (MoFPI) for the advancement of food processing sector. The export facilities of agri- processed food, generating tremendous employment opportunities for farmers, rural youth & women, formation of backward and forward linkages and agro processing clusters, improvement of infrastructure for value addition & establishment integrated cold chain and mega food parks to make link between final agricultural produce to marketplace are being done.

The Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) has developed mega food parks at Saha in Ambala and Rai (Sonipat) and Hafed Food Park in Rohtak under the scheme of Ministry of Food Processing Industries (MOFPI), Government of India. Mission for Integrated Development of Horticulture (MIDH) scheme has been launched by Government of India for the holistic development of horticulture sector with augmentation of farmers income, skill development for rural youth in horticultural sector, post-harvest management, processing & marketing and to motivate group of farmers like FPO (Farmer Producer Organisation). National Programme for Dairy Development (NPDD) scheme has been launched to give rise to producers companies at rural level, build up infrastructure for acquiring, processing as well as marketing of milk products, training for dairy agripreneurs *etc.* Minimising Cost of Doing Business (CoDB) and improving Ease of Doing Business (EoDB) to augment entrepreneurship and formulating various programs and policies for the promotion and growth MSME business in the state are being done.

- ASPIRE – This is a Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE) its aim is to minimise unemployment and generate more job opportunities by promoting entrepreneurship culture by setting livelihood and technology business incubators.
- Entrepreneurship and Skill Development Programme (ESDP). This is a programme to encourage new enterprises and to inspire young entrepreneurs of different sections to consider entrepreneurship as a career option.
- Government of India has established Pradhan Mantri Mudra Yojana (PMMY) scheme which helps in providing micro credit (up to 10 lakh) to small business entrepreneurs as well as facilitating financial aid to non-farm sector business activities.
- Transport and Marketing Assistance (TMA) for Specified Agriculture Products scheme. The objective is to provide aid for marketing of agricultural products by minimising the cost of transportation of export of agricultural produce and also help in promoting Indian agricultural product brands in abroad markets. Some other schemes are Ambedkar Social Innovation & Incubation Mission, Prime Minister Employment Generation Programme, and Dairy Entrepreneurship Development schemes *etc.*

Output Management schemes- Post Production

Agricultural Marketing

The primary goals of AMI schemes are to build agricultural marketing infrastructure in order to effectively manage marketable surpluses from agriculture, including horticulture, and allied sectors such as dairy, poultry, fishery, livestock, and minor forest produce. It also helps in promoting innovative and cutting-edge technologies, as well as competitive alternative agricultural marketing infrastructure, through private and cooperative sector investments, direct marketing, scientific storage capacity creation, and integrated value chains. It provides Infrastructure facilities for agricultural produce grading, standardisation, and quality certification.



Schemes of Small Farmers Agribusiness Consortium (SFAC)

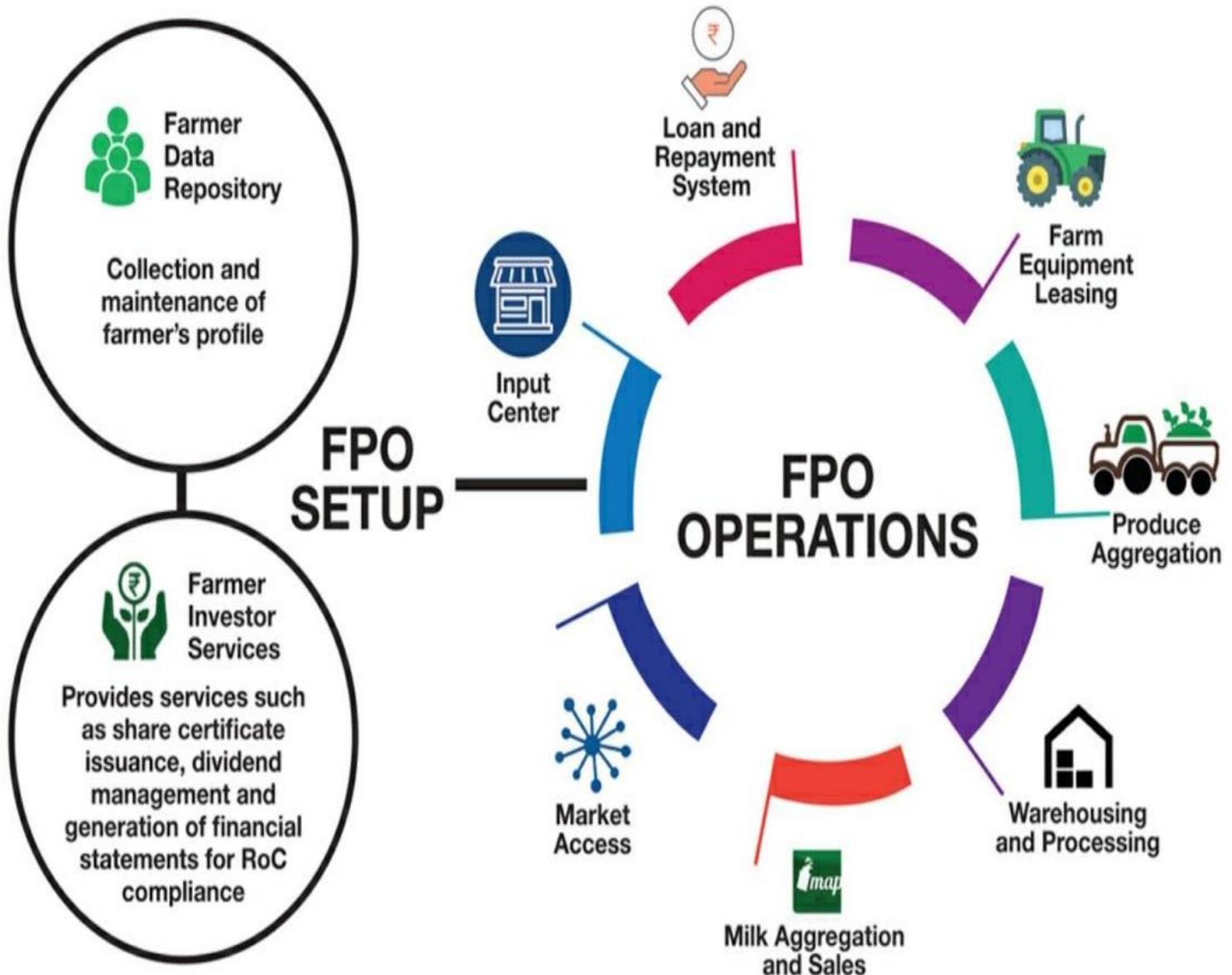
In collaboration with Notified Financial Institutions, SFAC is implementing the Central Sector Scheme for agribusiness development. It helps in providing venture capital for agribusiness projects, as well as assistance to farmers and product groups in preparing bankable proposals Project Reports in Depth (DPR)

Agri-Business Development (ABD) through Venture Capital Scheme (VCA)

It facilitate the establishment of agribusiness ventures in close collaboration with all Reserve Bank of India-notified Financial Institutions where the Central/State Government owns more than 50%, such as Nationalized banks, SBI & its subsidiaries, IDBI, SIDBI, NABARD, NCDC, NEDFI, Exim Bank, RRBs & State Financial Corporations. It helps in strengthen backward linkages of agribusiness projects with producers as well as catalyse private investment in the establishment of agribusiness projects, thereby providing producers with a guaranteed market for increasing rural income and employment.

Farmer Producer Organizations (FPOs)

It entails the grouping of producers, particularly small and marginal farmers, in order to form an effective alliance to address many agricultural challenges, such as improved access to investment, technology, inputs, and markets. Farmer Producer Organizations registered under the special provisions of the Companies Act of 1956 as the most appropriate Institutional form for mobilising farmers to build their capacity to collectively leverage their production and marketing strength. This scheme provides necessary assistance and resources (policy action, inputs, technical knowledge, financial resources, and infrastructure) to strengthen these FPOs. It removes barriers to farmers' access to markets via their FPOs, both as buyers and sellers.



Ministry of Food Processing Industries (MoFPI) Pradhan Mantri Kisan SAMPADA Yojana

The scheme is being implemented by Ministry of Food Processing Industries (MoFPI). SAMPADA, Kisan Yojana is a comprehensive package that will result in the development of modern infrastructure that is efficient. We intend to double farmers' income by 2022 41 MILK supply chain management from farm gate to retail outlet. It will not only help to boost the growth of the country's food processing sector, but it will also help to provide better processes to farmers and is a big step towards doubling farmers' income, creating huge employment opportunities, particularly in rural areas, reducing agricultural waste, increasing processing levels, and increasing the export of processed foods.



Scheme for Creation / Expansion of Food Processing / Preservation Capacities

The Scheme's main goal is to create processing and preservation capacities, as well as to modernize/expand existing food processing units in order to increase the level of processing and value addition, resulting in less waste. The scheme covers the establishment of new units as well as the modernization and expansion of existing units. Depending on the processing sector, the processing units perform a wide range of processing activities that result in value addition and/or increased shelf life of the processed products.

Agro Processing Cluster

The scheme's goal is to build modern infrastructure and common facilities to encourage groups of entrepreneurs to establish food processing units using a cluster approach. Effective backward and forward linkages are created under the scheme by connecting groups of producers/farmers to processors and markets via a well-equipped supply chain that includes modern infrastructure for food processing closer to production areas and the provision of integrated / complete preservation infrastructure facilities from the farm gate to the consumer. Each cluster has two basic components: basic enabling infrastructure (roads, water supply, power supply, drainage, ETP, etc.) and core infrastructure/common facilities (warehouses, cold storages, IQF, tetra pack, sorting, grading, etc.). The units are established concurrently with the construction of common infrastructure.

Food Safety & Standards Authority of India (FSSAI)

The Food Safety and Standards Authority of India (FSSAI) was established in 2006 by the Food Safety and Standards Act (FSS Act). It is a statutory body responsible for establishing science-based standards for food articles and regulating food manufacturing, processing, distribution, sale, and import in order to ensure safe and wholesome food for human consumption.



CONCLUSION

Advanced storage & transportation facilities, market information, product quality, better & advanced technology and appropriate procurement & management of finance were the top most necessity of the agripreneurs in business & production, marketing, competition, finance and human resource management for successful operation of any agribusiness. More numbers of trainings should be imparted by the allied Departments /Institutions for agri- entrepreneurship skill development programmes so that youths could be encouraged and motivated towards agri-preneurship. Awareness campaigns related to various agripreneurs development government schemes, financial assistance etc. should be organized by extension officials, so that interested youth can take advantage and establish their businesses

REFERENCES

- Annonymus. Accessed from <https://www.ccsniam.gov.in>. Chaudhary Charan Singh National Institute of agriculture marketing. RKVF- RAFTAR bulletin.
- Annonymus. Accessed from <https://msme.gov.in>. Ministry of micro small medium enterprises schemes. MSME.
- Annonymus. Accessed from <https://www.manage.gov.in>. National Institute of Agricultural Extension Management. MANAGE.
- Annonymus. (2019a). Accessed from <https://www.phdcci.in>. Progressive Haryana: The Agricultural hub of India. PHD Chamber of commerce and industry.
- Annonymus. Accessed from <https://vikaspedia.in> Vikaspedia
- Annonymus. (2019b). Accessed from <https://www.apeda.gov.in>. Agricultural and processed food products export development authority (APEDA), Ministry of commerce & industry
- Annonymus. (2019c) Accessed from <https://mofpi.nic.in>. Ministry of Food Processing Industries (MOFPI), Government of India.
- Annonymus. (2019d). Accessed from <http://nhb.gov.in> . National Horticulture Board, Ministry of agriculture &Farmers welfare.
- Annonymus. (2019e). Accessed from <http://hortharyana.gov.in>. Horticulture department Government of Haryana, India.
- Annonymus. (2020). Assessed from <https://esaharyana.gov.in>. Department of Economics and statistical Analysis, Haryana. s