

An Assessment of Contribution of NABARD in the Infrastructure Development for Agro Products

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Abstract

Objective: This study also aims at assessing the present and the past activities and schemes of NABARD and its effectiveness in the developmental contexts. This study is a modest attempt of appraise the role and significance of NABARD in the development of agriculture sector.

Method and statistical analysis: The study is descriptive in nature and data is collected from secondary sources like journals, blogs, websites, newspapers, reports and various academic books.

Findings: Study concludes that the need for rural development and increasing role of agriculture and allied activities has made the role of NABARD critical and significant.

Application/Improvements: Indian economy lies in the villages agriculture is the core sector of the economy, it accounts for 21% of the GDP and more than half of the population is dependent on the agriculture. Without rural infrastructure development, Overall growth cannot be achieved. Hence the role of banks and other financial institutions becomes very pivotal.

Keywords: NABARD, Rural development, Agro product, Infrastructure Development

Introduction:

India is ranked 2nd in the agriculture produce among the world but still our farmers suffers because of lack of finance as credit is the basic requirement of agriculture as our farmers are not economically strong, from the early time only source of credit to farmers were sahukar. After India got freedom government adopted different credit policies through different Institutions like rural banks and commercial banks which may provide easy credit to farmers on low interest rate among those on of the scheme is NABARD.

In the year 1979 on 30th March a committee was formed to review the arrangement of credit for agriculture and rural development (CRAFICARD) by former member of planning commission of government of India, Sri B Sivaraman.

- On 28th Nov 1979 committee presented interim report and recommended NABARD for the undivided attention for credit related issues and development of financial institution.
- In 1981 it was approved by the Parliament under Act 61.
- On 12th July, 1982 through the transfer of agriculture credit function of RBI and refinance to Agriculture Refinance and Development Corporation (ARDC) NABARD came into existence NABARD.
- This service was dedicated to the nation on 05 Nov, 1982 by late PM Smt. Indira Gandhi. Farmers, dairy cooperative societies, milk unions, milk federations, self help groups, entrepreneurs, NGOs, companies and groups of organized and unorganized sectors are eligible

for funding from NABARD. Departments are divided into 3 categories- development, financial and supervision.

Through this every aspect of rural economy has been touched under various schemes of NABARD.

- From providing refinance support to building infrastructure.
- Guiding and motivating banking industry to achieve targets to help in preparing district levels credit plans.
- Supervision to make sound practice for Cooperative and Regional Rural banks.
- From training artisans for handicraft to marketing platforms to sell them.

Refinancing:

Modern agriculture is different from traditional now the investment is of recurring nature where not only finance is required for seeds, fertilizer but also to promote the agriculture produce for which NABARD provide both short and long term fund from 3-15 years which can be repayable within 12 months and the rate of interest is very low.

It also helps farmer to extend short term loan in medium term where crops are damaged due to natural calamities where loss is up to 33% or more. NABARD provides refinance to SCBs in case of conversion to the extent of 60% of eligible amount with State Govt.'s share at 15% and SCBs/DCCBs share at 25%. In case of RRBs, NABARD's refinance is to the extent of 70% of eligible amount with sponsor banks share at 25% and RRB's share at 5%.

Challenges faced by NABARD:

The farmers are committing suicide because the grains which they are producing are not getting fair price because of which they have excess stock left with them which causes huge loose to them. Post production issues should be taken into consideration said by "M I GANAGI, Chief General Manager, NABARD". By increasing the minimum support price (MSP) is not always enough. If the marketing system of agriculture produce is reformed, development of new institution and reviving the existing one will link the market to the farmer. All the channels of intermediaries can be eliminated by reviving the farmer produce organizations (FPOs). FPOs/VPOs will help in integrating small farmers in to agricultural market system. The NABARD official presented the concept of creating federation of FPOs in which they want to be done on the model of Amul by FPOs. In which five or six companies can come up with heterogeneous products to establish linkage downward which will bring the revolution.

Financial institutions & Schemes of NABARD based for agriculture..

State Government like Finance Department, Direct Refinance Assistance to Co-operative Banks provide short term Credit Products and working requirements, repair and maintenance, storage, packing of production, Crop loans. Few banks like Corporation Banks, Cooperative State Banks, Commercial Banks, Rural developments Banks, State Based Agricultural Banks, State based

Agriculture Development companies for finance, Cooperative Bank for Urban, Development Finance in North East etc.. are the banks involve in Re-finance.

Schemes:

The Government of India taking a lot of initiative through NABARD to help farmers aiming Capital, Investment, sustainable income flow & development in employment areas and NABARD is also the channel partner for some schemes via government, so subsidy is passed by ministry through financial banks.

Agriculture Business and Clinics Schemes: It provide experts advice and service & loans to the farmers to develop the crops, animals and provide support to crop protection, development in technologies, harvesting technologies, soil health check in, Health check up service for animals, Organic farming, to provide marketing price, management for fodder & feed.

Banks also provide Kisan Credit Card KCC for marginal farmers & small farmers to support these schemes since 2006 till today to extend credit at least for six months at the benefit of 2% interest. Objectives to promote Organic farming, maintaining soil health & environment safety, reduce chemical fertilizers promote bio fertilizers, convert waste into plant-nutrients resources, prevent pollution & environment. NGOs, Group of farmers, Companies, Corporations, Agricultural Produce Market Committees.

Assessments of NABARD:

According to our studies NABARD is working very well to achieve the Sustainable development goals for Agriculture, it is not only providing finance for production process but also helping farmers for marketing, post-production issues, one of the most attractive policy of NABARD giving relief to the farmer in case of damages by converting their short term into Medium term loans. NABARD is associated with all levels of banks from RBI as apex level of Banks to Panchayati level Rural Banks which touches almost the doors of rural India/groups of farmers despite of all these strengths of NABARD, despite of all these strength NABARD can bring some modification in their policies in order to make more effective policy so that the benefits can be reached to each and every farmer of INDIA. As schemes are still not known to the every parts of the rural India, one of the current example India Post Payment Banks-IPPBs. are developing, similarly schemes should be connected with that so that all these schemes to aware all benefits of NABARD to farmers can be implemented on ground. Still transparency is a huge problem for the farmers, middlemen are asking for money before giving the benefits to the beneficiaries so, schemes couldn't reach directly to the farmers to overcome these issues feedback forms should be filled. NGOs should include Professionals/students to help in awareness and for proper knowledge for the local farmers. The Banks should make very easy process to avail these schemes to the farmers with the help of local NGOs or the other Community organizations.

Conclusion:

Introduction of green revolution, advancement in production, agro-technologies, fertilizers to achieve maximum demand after the independence have played a very pivotal role in getting food independency. In 1982, NABARD came into existence and become a platform for the

economic development of the nation since India is an agro based nation 60% of the people still dependent of agro based product and industries but lack of financial assistance for marginal/small farmers for achieving the goals of sustainable agriculture development leads in declining of this agriculture sectors, NABARD became hope for these sections with this vision, Government of India (GoI) formed the committee for arrangement of institutional credit for agriculture & rural development. Several schemes have been launched by cooperative banks, rural development banks through KCC on several sectors like organic farming, market pricing, soil health check, harvest technologies etc as the assessment of this paper shows many gaps which must be overcome by the help of government and the local administration together to bridge the gaps.

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