

**Government of India**

**OPERATIONAL GUIDELINES  
SCHEME FOR DEVELOPMENT/ STRENGTHENING OF  
AGRICULTURAL MARKETING INFRASTRUCTURE,  
GRADING AND STANDARDIZATION**

**Ministry of Agriculture  
(Department of Agriculture & Cooperation)  
Krishi Bhavan, New Delhi**

# OBJECTIVES

- ❖ The main objectives of the Scheme are:
- To provide additional agricultural marketing infrastructure to cope up with the large expected marketable surpluses of agricultural and allied commodities including dairy, poultry, fishery, livestock and minor forest produce.
- To promote competitive alternative agricultural marketing infrastructure by inducement of private and cooperative sector investments that sustain incentives for quality and enhanced productivity thereby improving farmers' income.

# OBJECTIVES

- To strengthen existing agricultural marketing infrastructure to enhance efficiency.
- To promote direct marketing so as to increase market efficiency through reduction in intermediaries and handling channels thus enhancing farmers' income.

# OBJECTIVES

- To provide infrastructure facilities for grading, standardization and quality certification of agricultural produce so as to ensure price to the farmers commensurate with the quality of the produce.
- To promote grading, standardization and quality certification system for giving a major thrust for promotion of pledge financing and marketing credit, introduction of negotiable warehousing receipt system and promotion of forward and future markets so as to stabilize market system and increase farmers' income.

# OBJECTIVES

- To promote direct integration of processing units with producers.
- To create general awareness and provide education and training to farmers, entrepreneurs and market functionaries on agricultural marketing including grading, standardization and quality certification.

# ELIGIBLE PERSONS

- *The assistance will be available to individuals, Group of farmers/ growers/ consumers, Partnership/Proprietary firms, Non-Government Organizations (NGOs), Self Help Groups (SHGs), Companies, Corporations, Cooperatives, Cooperative Marketing Federations, Local Bodies, Agricultural Produce Market Committees & Marketing Boards in the entire country.*

# ELIGIBLE PERSONS

- Bank assisted projects of State agencies, including projects refinanced/co financed by National Bank for Agriculture and Rural Development (NABARD) for strengthening / modernization of existing marketing infrastructure would also be eligible for assistance under the scheme.

# SUBSIDY

- **Rate of subsidy** shall be 25% of the capital cost of the project. In case of North Eastern States, hilly and tribal areas and to entrepreneurs belonging to Scheduled Caste (SC)/Scheduled Tribe (ST) and their cooperatives, the rate of subsidy shall be 33.33% of the capital cost of the project.



# SUBSIDY

- **Maximum amount of subsidy** shall be restricted to Rs.50 lakh for each project. In the case of North Eastern States, hilly and tribal areas and to entrepreneurs belonging to SC/ST and their cooperatives, maximum amount of subsidy shall be Rs.60 lakh for each project.

# SUBSIDY

- In respect of infrastructure projects of State Agencies, there will be no upper ceiling on subsidy to be provided under the scheme.

# SUBSIDY

- The amount of Central Assistance/ subsidy availed of for the project or any of its components from any other Central Scheme shall be deducted from the amount of subsidy admissible under this scheme.

## ASSISTANCE PATTERN

### FOR PROJECTS FINANCED THROUGH BANKS/NABARD

#### Pattern of funding

Source of finance	Other than NE States hilly and tribal areas	, NE States, hilly and tribal areas*/SC & ST entrepreneurs and their cooperatives_
Subsidy from Central Government	25 %	33.33 %
Institutional loan from commercial/cooperative banks etc.,	Minimum 50 %	Minimum 46.67%
Owner's contribution**	Rest of the project cost	Rest of the project cost

# MODE OF RELEASE

- 50% of the subsidy amount will be released to NABARD by Department of Agriculture and Cooperation in advance. Accordingly, NABARD would release subsidy to the participating banks in advance for keeping the same in a Subsidy Reserve Fund Account of the concerned borrowers, to be adjusted finally against loan amount of the bank on completion of the project. This amount of 50% subsidy would be released by NABARD to the participating bank on submission of a project profile-cum-claim form.

# MODE OF RELEASE

- The remaining 50% of the subsidy amount would be disbursed to the participating bank (s) by NABARD after a Joint Inspecting Committee comprising of officers from NABARD, participating bank and Directorate of Marketing & Inspection (DMI) in the concerned State, conducts an inspection.

# Thank You

-Contact -

**G.B.MODI**

**CHARTERED ACCOUNTANT**