

*Govt Sponsored
Scheme*



SMALL FARMERES AGRIBUSINESS CONSORTIUM (SFAC)

VENTURE CAPITAL SCHEME FOR AGRIBUSINESS DEVELOPMENT



**VENTURE CAPITAL SCHEME
FOR
AGRIBUSINESS DEVELOPMENT
FOR
XII TH PLAN (2012-2017)**

- SFAC is a registered society under the Department of Agriculture & Corporation, with a mandate to catalyze private investment in setting up agribusiness Project for increasing rural income & employment.
- SFAC scheme for Agribusiness Development provides: Interest free Venture Capital to Set up agribusiness project

And

Project Development Facility (PDF) To assist

1. Individuals,
 2. Producer groups/ organisation
- for preparation of detailed project report.

The scheme envisages Single-window approach for extending venture Capital along with bank term loan/working capital to the beneficiary.



OBJECTIVES

The main objectives of the scheme are :-

- To facilitate setting up of agribusiness ventures in close association with banks.
- To catalyse private investment in setting up agribusiness project and there by providing and assured market to producers for increasing rural income and employment.
- To strengthen backward linkages of agribusiness projects with producers.
- To assist farmers, producer groups / companies and agriculture graduates to enhance their participation in the value chain.



❖ SALIENT FEATURES OF THE SCHEME

ELIGIBILITY CRITERIA:-

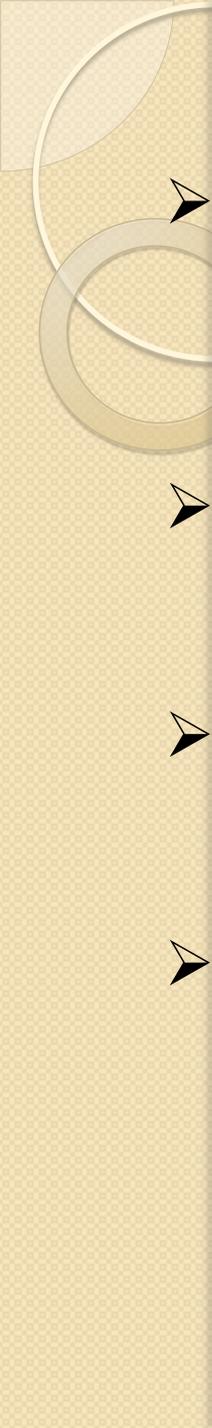
Assistance Under the Scheme is available to:-

- Individual
- Farmers
- Farmer Producer Companies / Farmer Producer Organisations

- Partnership / Proprietary Firms
- Self-help Groups
- Companies
- Agripreneures
- Units in Agri-export Zones
- Agriculture Graduates individually or in Groups.



QUALIFYING PROJECTS:-

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- A project should be in agriculture or allied sector or related to agriculture services. **Poultry and dairy projects are also covered under the scheme.**
 - The project should provide an assured market to farmers / producers groups.
 - The project should encourage farmers to diversify into high value crops.
 - The project should be accepted by banks / financial institutions for grant of term loan.



ILLUSTRATIVE LIST OF SECTOR & PRODUCTS

Sr.No.	Sector	Product
1	Plantation	Virgin Coconut Oil, Low Fat Desiccated Coconut Powder, Shell Charcoal, Coconut Parings, Coconut Vinegar,
2	Horticulture	Mango Pulp, Tomato Paste, Banana Paste, Papaya Juice, Guava Juice, Tomato Puree, Gherkin, Chilies, Squash Processing, Wine(Pure Grapes), Cashew Kernels, Capsicum, Cucumber, Broccoli, Tomato, Cold Chain (Apple), Fresh Grapes, Pineapple slice, Fruit Jam, Walnut Kernels, Concentrates of Apple Apricot, plum, Carrot, Peach, Pear, Dehydrated Onion, Dehydrated Garlic, Onion, carbonated fruit beverage prepared from fruits like mango, litchi, pineapple, orange, Canned pineapple Slice, Pineapple pulp, green chilly, pickle,
3	Horticulture- Vegetables Processing	Sweet Corn, Baby Corn, Green Peas, Mushroom, Fruit Pulp,
4	Medicinal & Aromatic Plants	Active Pharmaceutical Ingredients- Vincristine, Vinblasine, vinorelfine,

Sr.No.	Sector	Product
5	Fruit Processing	Mango, Guava Pulp
6	Fisheries	Marketing of raw fish, tandoori, fish, Biryani, smoked and fried fish, Ornamental Fishes
7	Processing of Medicinal & Aromatic crops	Processing and manufacturing of Aloe vera Product
8	IQF processing	Vegetables and fruit, Frozen Peas, sweet corn, Frozen mango pulp, frozen mix vegetables, ready to eat snacks- Vada pav, Burger, Punjabi Samosa, Pav Bhaji, French fries, frozen cauliflower, frozen carrot,
9	Apiculture	Honey, Polleu, Propoils & Equipments
10	Food & Fruit Processing	Mango Juice/ Pulp, Fig Spread Jam, Awala Drink, Mineral Water, frozen fruit, vegetables, canned fruit, jam jelly, pickle, squash, fruit juice, Sauce,
11	Forest Product	Bamboo Mates & Bamboo Corrugated sheet
12	Cashew Processing	Processed cashew, CSNL Liquid & Husk & Cake
13	Coconut Processing	Desiccated Coconut Powder, by product Charcoal & Testa (Paring),

ILLUSTRATIVE LIST OF ACTIVITY

Sr. No.	Activity
1	Manufacturing of herbal extracts and aromatic oils
2	Processing sweet corn and baby corn and other English Producing vegetables viz. Broccoli, Lettuce, Cauliflower, Peas etc.
3	Integrated Coconut Processing Unit
4	Fruit pulp Manufacturing unit of especially mango pulp
5	Processing & export life saving anticancer drug
6	Cashew Processing
7	Processing of raw cashew nuts
8	Production / Sale of grapes wine
9	Cultivation, Processing and Export of Gherkin
10	Established of grape juice based wine production unit
11	Processing and Preservation of fruits & vegetables with state of art technology
12	Trout Fish Canning & Preservation
13	Processing & Manufacturing of aloe Vera & allied products

Sr. No.	Activity
14	Infrastructure facility for pre-cooling, grading, pack house & cold storage for grapes
15	Setting up processing/ grading and packing walnut/ walnut kernels nut
16	Processing of fruit & vegetables unit like apple culls, cheery, pears, plums apricots etc.
17	Cut flower production (under controlled condition), value addition & marketing
18	Dehydration of onions, garlic & other vegetables
19	Manufacturing bamboo mat corrugated sheets
20	Processing of Pineapple, passion fruit
21	Manufacturing of desiccated coconut powder
22	Processing of coconut for production of virgin coconut oil & coconut vinegar
23	Aqua Technology Park
24	Processing of honey
25	Frozen fruits & vegetables processing with IQF technology
26	Pre-cooling pack house & cold storage unit & processing of raisin(Bedana)



VENTURE CAPITAL ASSISTANCE

SFAC provides interest-free venture capital to agribusiness projects by way of soft loan to supplement the financial gap worked out by the sanctioning authority of term Finance with respect to the cost of the project.

The quantum of SFAC venture capital Assistance will be the lower of the following:

- ❖ 26% of the promoters equity.
- ❖ Rs.50.00 lakhs (maximum)

However, for agribusiness projects set up in the **North-Eastern Region**, Hilly States, (**Uttarakhand**, **Himachal Pradesh** , **Jammu & Kashmir**) and in all cases in any part of the country where the projects is promoted by Farmer producer Organisation, the quantum of venture capital will be the lower of the following:

- ❖ 40% of the promoters equity
- ❖ Rs. 50.00 lakhs



ELIGIBLE COST OF PROJECT

➤ Minimum Rs.15.00lakh (Rs.10.00 lakh for hilly and North Eastern States and backward districts.)

➤ Maximum upto Rs. 500.00 lakh.

Higher venture Capital Assistance can be considered by SFAC to deserving projects on merit provided:

- Provision for higher VCA has been appraised and approved by the sanctioning authority of term loans, subject to a maximum of Rs. 3.00crore.
- The total cost of project is not more than Rs. 10.00 crore.
- The projects are located in the North Eastern Region (NER) and other pre-identified district declared backward by the Backward Regions Grant Fund Scheme.
- The beneficiary will repay the venture capital in lump sum to SFAC after full repayment of the banks term loan as per the original schedule or earlier.



PROJECT DEVELOPMENT FACILITY

- Consultants/ Agency promoted by public sector banks.
- Consultants/Agency promoted by state governments.
- Registered Consulting firms promoted by a group of professional.
- Individual consultants/ proprietary firms.

However, the applicant organisation/ individual must be a qualified expert with a minimum of post graduate degree level qualification approved by UGC/AICTE. Institute of Chartered Accounts of India, as the case may be; from any of the following categories of expertise:

- Agriculture, Horticulture, Agribusiness, Agro processing, Food Processing, Engineering, Fisheries, Poultry & Dairy, Management, Finance, Rural Management.
- Chartered Accountants.



Essential Documents



**ILLUSTRATIVE LIST OF ESSENTIAL DOCUMENTS
REQUIRED FOR PROCESSING THE VCA PROPOSAL**

- Application Format (available of SFAC website).
- Promoters request letter addressed to the Managing director, SFAC, New Delhi on original letterhead of firm/ company.
- Sanction letter of sanctioning Authority addressed to recommending branch.
- Bank approved appraisal/ process note bearing signature of sanctioning authority.
- Potential impact on small farmer producers

- (a) Social impact
- (b) Environmental Impact
- (C) Risk Analyze and
- (d) Replication Factor

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- Specific recommendation with amount of VCA on banks original letterhead with date and dispatch number duly signed by the Branch Manager on each page.
 - Implementation schedule confirmed by the bank.
 - Up-to-date statement of account of term loan and cash credit (if sanctioned).
 - Equity certificate a)CA Certificate in case of partnership or proprietorship firm (b)form-2, form-5 and form-23 filed with ROC for company.
 - List of farmers (backward linkage) confirmed by promoter and bank.
 - Affidavit of promoter that they have not availed VCA in the past from SFAC.
 - Field inspection report of bank official as on recent date.



OTHER SCHEME OF SFAC

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- Equity Grants & Credit Guarantee Fund Scheme for Farmer Production Companies
 - Promotion of Farmer Production Organisation. (FPOs)

Thank You

-Contact -

G.B.MODI

CHARTERED ACCOUNTANT