



PHD Research Bureau
PHD Chamber of Commerce and Industry



ADB, India Sign US\$100 Million Loan for Agribusiness Development in Maharashtra

The Asian Development Bank (ADB) and the Government of India signed a US\$100 million loan to promote agribusiness network to boost farm incomes and reduce food losses in the state of Maharashtra.

The project supports agribusiness development in Maharashtra with holistic support to on-farm improvement in productivity, upgradation of post-harvest facilities, and establishing efficient marketing structures to benefit horticulture producers.

The project will help small and marginal farmers in Maharashtra improve their post-harvest and marketing capacity, reduce food losses, and increase incomes through access to finance, capacity building, and horticulture value chain infrastructure development. The project interventions also align with ADB's ongoing support to rural sector transformation in the state through mutually complementary projects for improving irrigation efficiency through rural electrification and for enhancing rural connectivity.

Though Maharashtra produces 11% and 6% of India's fruit and vegetable production, respectively, and accounts for about 8% of the country's floriculture exports, most smallholder farmers lack capital to scale up and do not have direct access to emerging high-value markets. The ADB loan will help provide financing opportunities for farmer producer organizations (FPOs) and value chain operators (VCOs) through matching grants and financial intermediation loans to support 300 subprojects.

The project will upgrade 16 existing post-harvest facilities and construct 3 new ones to provide individual farmers and FPOs with clean, accessible, and sustainable crop storage and processing facilities. It will also build the capacity of FPOs and VCOs on value chain acceleration and post-harvest handling and management, especially those owned and led by women. The project is expected to benefit 200,000 farmers.

ADB will provide a \$500,000 technical assistance (TA) grant from its Technical Assistance Special Fund and \$2 million from the Japan Fund for Poverty Reduction on a grant basis to improve market linkages for FPOs. The TA will establish crop-based centers of excellence networks, promote innovative technologies in agribusiness and agriculture value chains, and support capacity building, including the asset and financial management capabilities of the MAGNET Society and the Maharashtra State Agriculture Marketing Board.

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Warm Regards,

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