



## World Bank loan for Maharashtra's Agribusiness and Rural Transformation

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### Why in News

Recently, the Union government, Maharashtra and the **World Bank (WB)** signed a loan agreement of \$210 million to support small farmers **participate in competitive agriculture** value chains, **facilitate agri-business investments**, increase market access and productivity, and build the **resilience of crops** to recurrent floods or droughts in Maharashtra.

### Key Points

- It is a significant step towards transforming the state's rural economy through **sustainable agriculture** and **empowerment of farmers** by connecting them directly to the markets and doubling agriculture exports from the state.
- This project is also in line with the **National Action Plan on Climate Change (2008)**.
- **Maharashtra Agribusiness and Rural Transformation Project** will help:
  - Enhance the adoption of **climate-resilient production techniques** in the state.
  - Increase private sector investments in agricultural value chains.
  - Remove constraints for producers and entrepreneurs in accessing emerging domestic and export markets.
  - Capacity-building of state to respond to commodity-price fluctuations by providing access to timely information on markets.
  - **Focus on Women:**
    - At least 43% of farmers and farm-workers participating in project activities are expected to be women.
    - Specific focus will be given to **women-led enterprises** and the participation of women in the decision-making processes of **farmer producer organizations**.

### Maharashtra and Agricultural Transformation

- Agricultural transformation is **already underway** in Maharashtra with an upsurge in the **production of high-value crops** such as fruits and vegetables, pulses, and maize and soybean for animal feed.
- The state has emerged as one of the **country's largest producer and exporter of fruits, vegetables, pulses, cotton, and soybean**.
- But, the area under cultivation for cereals such as **rice and wheat** has been **declining** since 2000.
- Many of these changes have led to several **positive developments** for Maharashtra where production is:
  - **labour intensive** in horticulture and floriculture.
  - **climate-resilient (pulse-based** cropping systems increases resilience, e.g. pigeon pea intercropping leads to higher soil **carbon sequestration** than mono-crop system)
  - Responds to domestic and global market needs.
- With a substantial urban population, relatively high per capita incomes, and highest industrialization levels, Maharashtra is **well-placed for an agriculture-sector transformation**.

**Source: PIB**