



Small Farmers' Agribusiness Consortium

Why in News

Recently the Union Minister of Agriculture & Farmers' Welfare highlighted the role of **Small Farmers' Agribusiness Consortium (SFAC)** in increasing **incomes of small and marginal farmers** through aggregation and development of agribusiness.

Key Points

- **Established:** SFAC was established in **1994 under Societies Registration Act, 1860** as an autonomous body promoted by the Ministry of Agriculture & Farmers' Welfare.
- **Objectives:** Promoting agribusiness by encouraging institutional and private sector investments and linkages to ensure the empowerment of all farmers in the country.
 - Organising small and marginal farmers as Farmer Interest Groups, Farmer Producer Organisations and Farmer Producer Company for endowing them with bargaining power and economies of scale.
- **Few Important Schemes Implemented by SFAC:** Equity Grant & Credit Guarantee Fund (EGCGF) Scheme, Venture Capital Assistance (VCA) Scheme, [Farmer Producer Organization \(FPO\)](#) Scheme, [National Agriculture Market \(NAM\) Scheme](#), etc.
- **Recent Initiatives/Developments:** SFAC launched the [Kisan Rath app](#) with the help of officials of the Ministry of Agriculture which lessened the problem of transport of farm produce during lockdown.
 - It signed a [Memorandum of Understanding \(MoU\)](#) with the Agricultural and Processed Food Products Export Development Authority (APEDA) to bring in better synergy in the agricultural activities.

Equity Grant & Credit Guarantee Fund (EGCGF) Scheme

- The Equity Grant Fund has been set up with the primary objectives of :
 - Enhancing **viability and sustainability, credit worthiness** of Farmer Producer Companies (FPCs),
 - Enhancing the shareholding of members to increase their ownership and participation in their FPCs.
- **The Credit Guarantee Fund Scheme** provides a Credit Guarantee Cover to the Eligible Lending Institution (ELI) to enable them to provide collateral free credit to FPCs.

Venture Capital Assistance

- Venture Capital Assistance is financial support in the form of an **interest free loan** provided by SFAC to meet the shortfall in the capital requirement for implementation of the project.

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