

**Inaugural Speech by**  
**Mr. Narendra Singh Tomar**  
**Hon'ble Minister of Agriculture and**  
**Farmers' Welfare,**  
**Government of India**

**NABARD- APRACA**  
**organised**  
**Regional Policy Forum**  
**04 March 2021**

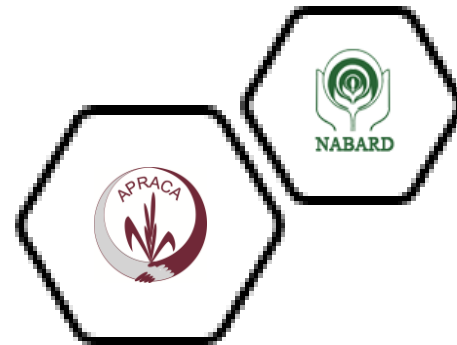


**NATIONAL BANK FOR**  
**AGRICULTURE AND RURAL**  
**DEVELOPMENT**

Mr DPK Gunasekera, APRACA Chairman and Chief Executive Officer, Bank of Ceylon, Sri Lanka, Dr. GR Chintala , Chairman NABARD & Vice Chairman of APRACA, Dr. Prasun Kumar Das , Secretary General , APRACA , Dr. Ashok Dalwai , CEO , NRAA & moderator, Secretary Agriculture, Secretary Dept of Financial Services, Govt of India, delegates from the member states of APRACA and the expert speakers for the day - Dr Michael Hamp, Lead Technical Specialist in Inclusive Rural Financial Services, IFAD, Mr Zhang Wencai, Vice President, Agriculture Development Bank of China , Dr P Satish, Executive Director of Sa-Dhan and Mr. Emmanuel R. Torres, Senior Vice President, The Philippine Guarantee Corporation , Philippines



2. I am happy to be present amongst you today and it is my pleasure to inaugurate this Policy Forum Meet of APARCA which is being co – hosted by NABARD and which will be deliberating on the two major themes which are of immense relevance in the agri sector across this region.



3. Asia-Pacific countries have been among the fastest growing economies in the world, with gross domestic product (GDP) per capita more than doubling, from \$4,700 to \$10,400 (2011 purchasing power parity), between 1990 and 2013.



4. Though this is one of the fastest developing economies, agriculture still remains the main livelihood provider in the region. More than 50 per cent of the world's industrial crops are produced in the Asia-Pacific region. Enabling policy and economic environments have led to many success stories, including unique rural development models: from agro-industrial entrepreneurship, cooperatives, and rural financial systems to farmer field schools in integrated pest management.



5. Asia and the Pacific today is home to about 70 per cent of the world's rural population. Despite its declining share in national income, the farm sector remains the largest employer. But the per capita arable and permanent cropland availability in the region is only 0.16 ha, compared to 0.37 ha in the rest of the world. It is therefore necessary for the countries in the region to put small farmers at the centre of development initiatives. The Asia Pacific Rural and Agricultural Credit Association (APRACA) has been in operation since on 14 October 1977 highlights the synergy between the 24 member nations in the field of Agriculture development and cooperation and is a useful platform for exchange of ideas.



6. India is one of the 16 founding member countries of APRACA with Shri. G.V.K. Rao, Secretary (Agriculture) to the Government of India as the first Chairman of APRACA and NABARD's former Chairman Dr. Y C Nanda was APRACA's Chairman from 1999 to 2001. This points to the importance that India accords to the forum.



7. I observe that in many countries like Bangladesh , Bhutan , Sri Lanka there exist successful models of cooperative farming e.g in Sri Lanka, initially, the rural working class had set up their own credit societies and gradually cooperatives branched out to other sectors under the guidance of the government e.g. Fishermen's Cooperative. In Bhutan, also there are Agricultural Cooperatives (ACs ).





8. Countries like Indonesia, Malaysia, Philippines and Vietnam have Guarantee Schemes. To address the challenge of smallholder farmer financing, Indonesia's central bank, Bank Indonesia, established the Kredit Usaha Rakyat (KUR) programme ("Business Credit for People"), a credit guarantee scheme for microfinance institutions (MFIs) lending to micro, small and medium enterprises (MSMEs). I am sure that with all these regional stakeholders, there would be great cross learning for all of us.



9. I am glad to note that the current Chairman of NABARD, Dr. G R Chintala will be soon taking over as APRACA Chairman. NABARD is one of the unique Development Institutions with few parallels, given its myriad of functions covering the entire gamut agriculture development, ranging from refinance to the Cooperative and Regional Rural Banks for the small and marginal farmer to direct finance for Infrastructure development to Private as well State Govt / entities and from promotional and developmental initiatives covering the last mile in farm as well non farm sector. Its contribution in planning for agri development by way of Potential Linked Plans(PLPs) and efforts to bridge the credit requirements gaps is also a valuable contribution.



10. Over the course of years, since its inception in 1982, NABARD has designed many initiatives –like SHG-BLP model, Joint Liability Groups (JLGs) Farmers Producers Organizations (FPO), micro entrepreneurship development products, which have been replicated with success.



11. NABARD is now playing leading role in the collectivization of farmers, to enable them to function along professional lines as business units and to strengthen their bargaining power in the market place. As leaders in the FPO space, NABARD has promoted nearly 5000 FPOs with grants support of more than Rs. 200 cr.# These FPOs have a membership of nearly 13 lakh\* farmers. Through their subsidiary, NABARD has been providing credit support to FPOs to serve as a model to encourage other banks to take up financing in this sector.

*#US\$ 27 million*

*\*1.3 million*



12. As a pilot, through one of their subsidiaries (NABKISAN ) NABARD has also been providing credit guarantee to FPOs. So NABARD being at the helm in APRACA would enable cross learning in these two thematic areas.



13. 2020 has been a difficult year on account of COVID pandemic. The resilience of the farming community in the face of adversities made agriculture the only sector to have clocked a positive growth not only in India but also across the region when other sectors slid. This has been possible due to the initiatives of the government as also that of the Central Banks .



14. Govt. of India has launched '*AatmaNirbhar Bharat Abhiyan*' to transform India into a 'Self Reliant' country. When India speaks of becoming self-reliant, it does not advocate a self-centred system. In India's self-reliance, there is a concern for the whole world's happiness, cooperation and peace.

- i. The Govt. of India had announced Rs.20 lakh crore economic package under the '*AatmaNirbhar Bharat Abhiyan*', to aid our country out of the coronavirus crisis. (*USD270.0Billion*)
- ii. A moratorium on agriculture term loans (including crop loans) till 31 August 2020 which was subsequently extended.
  - (i) GoI has raised wages under MANREGA(Mahatma Gandhi National Rural Employment Guarantee Scheme) from Rs.182 to Rs.202 per day. (*USD2.5 to USD3.0*)
  - (ii) NABARD has extended additional refinance support of Rs.30,000 crore for meeting crop loan requirement of Cooperative Banks and RRBs, liquidity support to NBFCs and NBFC-MFIs. (*USD4.5 billion*)
  - (iii) Rs.2 lakh crore (*USD27.0 Billion*) boost to 2.5 crore (*25 million*) farmers under KCC through a special drive to provide credit for crop operations.



15. Recognising the importance of collectivisation of farmers, Govt. of India has formulated a policy for promotion of FPOs on a pan India scale. Govt. of India has launched 'Central sector scheme for formation and promotion of 10,000 FPOs' on cluster basis within five years. NABARD is one of the implementing agencies for formation of FPOs under the scheme. In addition, Rs.1500 cr. (*USD 205.0 million*) credit guarantee fund has also been announce by Govt. of India , out of which Rs 1000 cr (*USD135.0 million*) will be managed by NABARD & GoI and Rs . 500 cr. (*USD70.0 million*) by NCDC and GoI .





16. Throughout the Asia – Pacific region, we have seen people and businesses adapt with resilience, determination and ingenuity, including adopting and developing new technologies. Today, some parts of Asia Pacific are beginning to ease social distancing measures and restrictions on commerce—but we're still many months away from anything like a return to normal.



17. There is no alternative to international cooperation and coordination. Many of the new challenges are transnational in origin and nature, and no nation can combat them alone.



18. In conclusion, I hope that through the expert deliberation and cross learnings, empirical solutions emerge, which will strengthen the endeavours of farmers collectivisation and credit guarantee initiatives in the region and the current models can be further refined , if need be. This I hope will contribute to overall efficiency of the agriculture sector and farmers' prosperity.



19. With this, I wish APRACA nations, and NABARD all the best in this endeavour.

