



ECONOMY & POLICY

## UP govt to invest Rs 38 bn in agri start-ups

12 Jul 2023 CW Team

The Uttar Pradesh government has expressed its intention to enhance the agricultural value of the state by investing approximately Rs 38 billion in agricultural start-ups during the financial year 2023-24 (FY24).

As per the plan, the new ventures included in the blueprint will focus on areas such as seeds, fertilizers, warehousing, soil nutrients, harvest/post-harvest crop management, and food processing units. The scheme aims to cover agricultural and horticultural crops as well as allied farm activities, with a specific focus on pisciculture, sericulture, and food processing.

According to a senior official from the agriculture department, the state intends to approve a minimum of five agricultural ventures and start-ups each month in all 75 districts. The state believes that simplifying the loan process will enable more than 3,000 agricultural entrepreneurs and young farmers to benefit from the scheme.

The funding for these initiatives will be obtained from the Agriculture Infrastructure Fund (AIF) scheme initiated by the central government. The AIF scheme seeks to enhance basic farming infrastructure by investing in medium- and long-term community agricultural assets at the local level.

To be eligible for a credit line from designated commercial banks, the beneficiary project must have a value exceeding Rs 10 million. Under the scheme, the beneficiaries receive a 6% interest subsidy that is evenly split between the AIF and the state government.

Additionally, for projects up to Rs 20 million, there is no requirement for collateral or guarantee during the loan application process.

According to the official, the primary objective is to facilitate a profitable post-harvest value chain and ensure favourable prices for farmers and agricultural entrepreneurs.

The central government has entered into a memorandum of understanding with nearly a dozen public sector banks to provide loans under this scheme. Agriculture serves as the backbone of the state's economy. In the fiscal year 2022-23, the state's agricultural exports increased by 5.5% to approximately Rs 190 billion compared to roughly Rs 180 billion the previous year.

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