Agricultural Sector Support Project (Bank Loan)

Improving Access to Finance for the Agricultural Sector through Local Bank

Business Overview

The project will improve access to finance for the agricultural sector and contribute to sustainable economic growth by increasing agricultural productivity and farmer's income in India.

Points of the Project

1. Support Agricultural Sector in India

The agricultural sector is an important part of the Indian economy, accounting for approximately 17% of the country's GDP and 50% of its employment. However, the standard of living for farmers remains low, at about 50% of that of regular urban workers.

Since only a limited number of farmers have sufficient funds to purchase goods (seeds, fertilizers, and agricultural equipment and materials) necessary for agricultural production, it is important to improve their access to finance. The project approaches the solution of this issue through a loan to IndusInd, which is actively engaged in lending to the agricultural sector.

2. Contribute to the improving of agricultural production capacity

There is a strong need to strengthen agricultural production capacity amid concerns about rising food prices and supply shortages due to the unstable global situation. The funds will be used to purchase materials and investments that will enable farmers to produce high quality, diversified and competitively priced agricultural products, which will help improve agricultural productivity in India and contribute to the country's food security.

Lender

citibank / JICA

↓ loan

Borrower

IndusInd Bank

↓ loan

Farmers and agribusinesses