

Programme on Project Finance to Agriculture and Allied Sectors

August 7 – 12, 2017

Target Group

- Branch Managers/
Agriculture Officers.
- Middle Level
Management Looking
After Priority Sector/
Agriculture Portfolio.
- Faculty from Training
Colleges.



Coordinator

Dr Naveen Kumar K



**National Institute of Bank Management
Pune, India**

Programme on Project Finance to Agriculture and Allied Sectors

Agriculture has been a way of life and continues to be the single most important livelihood in many countries. In developing countries, more than half of the population is either wholly or significantly dependent on some form of farm or non-farm activity. The need for investing in agriculture is increasing due to a rising global population and changing dietary preferences of the growing middle-class in emerging markets towards higher value foods like dairy, meat, fish, fruits, vegetables, and so on. According to estimates, demand for food will be increased by 70 per cent by 2050, and an investment of at least USD 80 billion will be needed annually to meet this demand, most of which is expected to come from the private sector (World Bank, 2015).

Banking sectors in developing countries lend a much smaller share of their total loan portfolios to agriculture compared to agriculture's share of GDP. This limits investment in agriculture by both farmers and agro-enterprises. It also demonstrates that the barrier to lending isn't due to a lack of liquidity in the banking sectors, but rather a lack of willingness to expand lending to agriculture. Even when available, much of the agriculture funding tends to be informal and short-term, precluding long-term investments. This informal funding only partially covers the financial needs of farmers and small agri-businesses, and usually at a high cost.

At the same time, agriculture cannot be looked at in isolation. It needs to be connected with other sectors of the economy. As agriculture forms the resource base for a number of agro-based industries and agro-services, it would be more meaningful to view agriculture not as farming alone but as a holistic value chain, which includes farming, wholesale business, warehousing (including logistics), processing, and retailing. Therefore, farming is the biggest enterprise for many countries. It attracts private sector involvement through infusion of new technologies (production and storage), mainstreaming of the fragmented small holders by integration of rural business/service hubs at the back-end and agro-processing industry and organised retailing at the front end. Therefore, working together with a win-win strategy has many advantages to agri-entrepreneurs and corporates. This will definitely provide ample opportunities for banks and financial institutions to finance various projects of agriculture and allied sectors.

Against this backdrop, to take full advantage of recent advancements in the agriculture and allied sectors, bankers need to acquire necessary skills and perspectives towards appraisal and financing of these (both conventional and modern high-tech agri-business) projects as a viable business proposition.

Objectives

- To understand different methods/approaches and tools in financing in agriculture and allied projects.
- To understand and appreciate the various emerging investment opportunities for bank(s) in financing to agriculture and allied projects.
- To analyse the risk in lending to agriculture and allied projects and framing suitable risk mitigation strategies.
- To experience the need for high-value agri-business projects through exposure visits, demonstrations and discussions.

Pedagogy

The programme will be highly participative in nature and supported by:

- Classroom lectures.
- Case studies on financial, economic and technical appraisal of projects through Excel-based computer learnings.
- Group discussions and interaction with experts/bankers and agriculture entrepreneurs/progressive farmers.
- Field visits to progressive farms and high-value agri-business projects.

Programme Coverage

The programme coverage is divided into three broad areas – foundation to project appraisal, credit appraisal and assessment strategies, and advanced topics in financing to agriculture and allied projects as follows:

Foundation to Project Appraisal

- ✧ Project approach to lending – concept, project cycle, stages.
- ✧ Formulation and appraisal of agricultural projects.
- ✧ Identification of costs and benefits, farm model, farm budget, incremental income and repaying capacity.
- ✧ Financial appraisal of project: DSCR, NPV, IRR and sensitivity analysis.
- ✧ Financial statement analysis.
- ✧ Cash flow statement analysis.
- ✧ Working capital assessment.

Credit Appraisal and Assessment Strategies

- ✧ Financing of agro-processing enterprises.
- ✧ Financing of horticultural/plantation crops.

- ✧ Financing of protected cultivation projects (greenhouse/polyhouse financing).
- ✧ Financing of cold storage and cold chain finance.
- ✧ Financing of allied projects – poultry, dairy and fisheries.
- ✧ Financing of tissue culture and mushroom projects.
- ✧ Financing of farm mechanisation and minor irrigation projects.

Advanced topics in Agriculture and Allied Sectors

- ✧ Value chain financing (channel financing) and warehouse receipt financing.
- ✧ Contract farming and organic farming.
- ✧ Lending through intermediaries like MFIs, SHGs and JLGs.
- ✧ Documentation and legal aspects of lending to agriculture and allied projects.
- ✧ Risk mitigation and management strategies for agriculture and allied projects.

Programme Coordinator

Dr Naveen Kumar K

Dates

August 7 – 12, 2017

The programme will commence at 9:00 am on August 7 and conclude by the evening of August 12, 2017. Participants are expected to reach the NIBM campus positively by the evening of August 6 and plan for their return journey after 5.00 pm on August 12, 2017.

Venue

NIBM Campus, Kondhwe Khurd, Pune, India.

Hostel Accommodation

The programme is fully residential. Participants will be provided well furnished single room AC accommodation in the Institute's hostel complex on the Campus. However, they will not be permitted to bring their family members to stay on the campus. In case any Officer/Executive with physical/medical disability is being nominated, kindly inform us in advance with particulars of disability to facilitate necessary arrangements.

The Institute has facilities for outdoor and indoor games and a large walking/jogging trail for physical fitness besides a yoga centre. Participants are, therefore, encouraged to bring the appropriate clothes/gears.

Programme Coordinator

Dr Naveen Kumar K holds a PhD in Economics. He has coordinated many national and international level Executive Development Programmes (EDPs) at NIBM. He conducts EDPs in the areas of Agricultural Finance, Agri-business and Value Chain Finance, Rural Infrastructure Finance, Financing of Farm and Non-farm activities, Microfinance, Financial Inclusion, Micro-enterprise Development, etc. Dr Naveen Kumar K has undertaken research and consultancy work for national and international agencies in the area of rural and agricultural finance.

Nominations and Enquiries

Please address your enquiries and nominations to:

Dr Naveen Kumar K
Programme Coordinator

National Institute of Bank Management
NIBM Post Office, Kondhwe Khurd
Pune 411 048, India

Tel : 0091-20-26716000 (EPABX)
26716224 (Direct)

Fax : 0091-20-26834478

E-mail : naveen@nibmindia.org

Web : www.nibmindia.org

**Last Date for Receiving Nominations:
July 28, 2017**

**Last Date for Availing Early Bird Incentive of 5%:
July 22, 2017**

(See Fee Structure on home page of the NIBM website)

Programme Fee (per participant)

US \$ 2400 for foreign participant

(See fee structure on home page of the website for incentive)

	Fee	ST	SBAC	KKC	Fee+ST+ SBAC+KKC	TDS
Mem. Banks	: 50400	7056	252	252	57960	5040
Non-Mem. Banks	: 58800	8232	294	294	67620	5880

The fee includes the cost of tuition, board and lodging facilities, teaching material, etc. (Service Tax (ST) @ 14%, Swachh Bharat Abhiyan Cess (SBAC) @ 0.5%, Krishi Kalyan Cess (KKC) @ 0.5% and TDS @ 10%. Kindly send the TDS Certificate on priority to NIBM).

Mode of Payment for Indian Participants

- The fee may preferably be transferred by RTGS/NEFT/ECS to our A/c No. 20002400021 with Bank of Maharashtra, NIBM Branch, Pune (IFSC Code MAHB0001124). NIBM PAN No. AAATN0040P and ST No. AAATN0040PST001.
- National Institute of Bank Management
NIBM Post Office, Kondhwe Khurd, Pune 411 048, INDIA.

Mode of Payment for Foreign Participants

Mode of Remittance: SWIFT*

1. Name & Address of our Bankers : **Oriental Bank of Commerce
C-2, Shop No. 4-5, Bramha Estate
Kondhwe Khurd, Pune 411 048
Maharashtra, India**
2. Name of the Account : **National Institute of Bank Management**
3. NIBM's Bank Account No. : **Current A/C 11281131004402**
with Oriental Bank of Commerce
4. Bank's Swift Code : **ORBCINBBFCP**
5. Oriental Bank of Commerce A/c No. : **36152559**
with Correspondent Bank
6. Preferred currency : **USD**
7. Correspondent Bank : **CITIBANK N.A.**
8. Swift code for Citi Bank : **CITIUS33**

*** The Foreign Bank Charges/ SWIFT charges/Commission is to be borne by the remitter. The fees mentioned in the invoice/brochure is to be paid to NIBM, net of all bank charges.**

***Payments will be accepted only through electronic mode.
Cheques/DDs/Pay Orders will not be accepted.**

- **For all electronic remittances, kindly send a confirmatory e-mail at: accounts@nibmindia.org giving details of the remitter and participant, name and dates of programme, etc.**

Please see programme fee structure on home page of the NIBM website for early bird incentive, incentives for SAARC and other developing countries, mode of remittance, Pune City route map and local conveyance.