



2) Asian Development Bank Assisted Agribusiness Infrastructure Development Investment Program (AIDIP)

The Agribusiness Infrastructure Development Investment Program (AIDIP) is a Project of Government of Maharashtra (GoM), proposed to be implemented under Public-Private-Partnership (PPP) framework. GoM has proposed to avail loans amounting \$ 85 million from Asian Development Bank (ADB) to fund the viability gap under the proposed project. In the total program cost, private entrepreneur has to invest at least 60% of project cost and remaining 40% of cost will be contributed by ADB and the State Government in the ratio of 80:20 respectively. ADB funds will flow in the form of loan to the State Government, to which Government of India (GoI) will act as a guarantor.

Department of Cooperation, Marketing and Textiles, Government of Maharashtra, is the Executing Agency (EA) for the project and Maharashtra State Agricultural Marketing Board (MSAMB) is Implementing Agency (IA).

1. AIDP is aimed at addressing three main constraints to agriculture growth – i) outdated technologies; ii) lack of public investment in basic infrastructure and iii) limited crop diversification. With the help of Integrated Value Chain (IVC) approach, the program targets improving physical and institutional linkages along agricultural value chains through creation of agribusiness market infrastructure; provision of support infrastructure like last mile roads, power, water, systems relating to market intelligence, and capacity building and strengthening/establishing value chain linkages.
2. The intent of the program is to achieve accelerated investment in agriculture and to support related infrastructure in rural areas, along the Integrated Value Chains. The interventions intends to target several or all of the following:
 - a) Aggregation facilities
 - b) Sorting, grading, packaging
 - c) Storage (ambient and controlled temperature)
 - d) Value addition and market intelligence
 - e) Distribution facilities including logistics
 - f) Value chains for end-to-end linkages
3. Project interventions have been configured in Hub and Spoke model in such a way that commodities grown in a geographic region of identified value chains could be collected as close to the field as possible for preservation and enhancement of value.

In the first phase two IVCs will be established as a pilot project in the -

- Nashik Region – (Estimated project cost Rs. 72 cr.)
- Aurangabad-Amravati Region - (Estimated project cost Rs. 27 cores)
- It is expected that approximately 13-15 IVCs shall be established across the state up to 2017.



4. Capacity Building

Farmers/producers included in the IVCs will be grouped and Producer Companies will be formed to strengthen backward linkage. In this way at least 20,000 farmers will be trained in first two IVCs.

5. Major benefits from the project are -

- Better price realization to the farmers.
- Reduction of wastage.
- Employment generation.
- Better quality produces reaching the consumer with enhanced shelf life.
- Improved handling, packaging and storage.
- Enhanced capacities and skills of stakeholders.

Activities Completed:

For effective implementation of AIDIP Project independent Project Management Unit (PMU) has been established and strengthened under Maharashtra State Agricultural Marketing Board (MSAMB)

- For selection of concessioner for Nashik and Aurangabad – Amravati region IVC as per instructions from interested investors RfQ documents has been changed and last date for submission of RfQ was extended to attract more investors. In due period total five applicants submitted their RfQ proposals for each IVC. However, the bid process was canceled as none of the investors submitted their proposal.
- Considering the issues and suggestions of investors, the Empowered Committee on Agricultural Marketing (ECAM), chaired by Hon. Chief Secretary, Maharashtra State in its meeting held on 27th March, 2014 approved changes in project structure. This includes major changes like permission to use of private land for project development, Concession period 25 years instead of 20 years, allowing bidding for individual spoke instead of entire value chain etc.
- The project documents are being drafted to accommodate these changes and fresh bids shall be invited shortly.
- Japan fund for Poverty Reduction (JFPR) assisted “Small farmers’ access to market in Maharashtra” project is being implemented in Nashik and Aurangabad – Amravati region IVC. Under JFPR project capacity development of farmers is envisaged. Team of experts assessed the training needs and conducted training programs on production, Post-harvest management, Business Management and exposure visits for lead farmers. To link farmer groups with various marketing channels, crop wise buyer – seller meetings were conducted. 18 farmer producer



companies are registered under companies Act and their activities are being monitored by the project.

- Regional meetings and primary survey were conducted to identify land, crops, required infrastructure in second phase proposed 4 IVCs i.e. Solapur- Sangali, Latur – Nanded, Nagpur- Amravati and Dhule- Nandurbar. TAG 2 consultant (KPMG) has completed Environmental and social impact assessment study and prepared Detail Project Report (DPR) for proposed 4 IVCs considering the cropping pattern and existing post-harvest facilities.
