Background
In the past four decades, the Indian economy has not only grown, but has also undergone a structural transformation. While the share of industries and services in the gross domestic product (GDP) increased, the share of agriculture declined, from 52 per cent in 1951-52 to 17.6 per cent in 2014-15. Nonetheless, enhancing agricultural growth remains a key policy concern as it still supports livelihood to more than half of the country’s total population. However, Indian agriculture is dominated by small land-holdings—about two-thirds of the landholdings are of size less than or equal to one hectare, with an average land size of about 0.4 hectares. At this scale, the agriculture-based livelihoods are untenable for majority of these households. Therefore the pertinent question for policy makers is: how to improve productivity of small-farm agriculture and livelihood of smallholders?

Amongst a constellation of constraints, lack of access to markets and capital is an important barrier to enhancing productivity of smallholder agriculture. Many studies have shown that smallholders have limited access to credit, which restricts them from adopting income-enhancing cropping patterns, improved technologies and quality inputs, and to undertake long-term investments in land improvements, irrigation, mechanization and storage. Though financial requirements of smallholders are not big, financial institutions often shy away from financing them because of high cost of lending relative to their size of loan, and higher risks in agriculture. Further, they have limited collateral, often less-documented, which makes it difficult for institutional agencies to liquidate these in case of default. Smallholders have, thus, resorted to borrowings from informal lenders who often charge exorbitant rates of interest and discount output prices in case of product-linked transactions.

Furthermore, smallholders are often at a disadvantage in the market place. Local rural markets for agricultural produce are thin, and the trading in distant urban markets is not remunerative due to higher fixed costs in relation to their marketable surplus. There is also apprehension about intensification of competition in agri-food markets with globalization. The unorganized small-scale producers, entrepreneurs and processors are likely to be more affected by increasing competition because of their lack of resources, especially capital to improve upon their technological capabilities to face global competition and stringent food safety standards. These tendencies suggest that smallholders need to adjust their agriculture to the emerging market forces, which is difficult unless they are supported with finance, markets, technologies, information and services.

Given these constraints that small farmers face, there is an increasing recognition that some of these constraints related to access to product and financial markets can be overcome using a value chain approach. The value chain approach brings different chain actors including farmers, aggregators, traders, processors and financial institutions together in order to realize economies of scale, reduce transaction costs, and minimize uncertainties in supplies and quality of inputs and outputs.

In the past the Government of India has made several policy changes to realize economies of scale, reduce transaction costs, and minimize uncertainties in supplies and quality of inputs and outputs. Important among these include: de-regulation of the food processing industry, reduction in taxes and duties on processed foods, establishment of agri-export zones and food parks and institutional lending to food processors on easy terms, liberalization of agricultural markets from the state control, and removal of restrictions on inter-state movement of agricultural commodities. Despite these policy changes problems like limited access to agricultural produce markets and financial resources, monopoly of licensed traders in agricultural markets, lack of agriculture market infrastructure, high incidence of market changes, high wastages in supply chain, long gestation period of infrastructure projects and seasonality of agriculture produce, lack of national integrated market, low price realization by farmers, large number of marketing channels with long supply chain, lack of accurate and timely market information/ intelligence system, high marketing cost affecting mostly the small and marginal farmers, remain unresolved.

To address some of these issues the Hon’ble Union Finance Minister in his 2014-15 Budget speech, stressed the need to create a National Common Agricultural Market so as to standardize and improve transparency in trade practices across States under a single licensing system. The suggested unified market aims to break the entry barriers, monopoly and cartelisation that have crept into the functioning of the current agricultural marketing system. The national common market is expected to bring more transparency due to wider participation, uniform market fees structure and uninterrupted inter-State movement of commodities.

In this context, this seminar aims to disseminate successful private, public and civil society models in India and address relevant challenges and opportunities to improve efficiency and inclusiveness of agriculture value chains. Furthermore, it aims to open the discussion to use value-chain approach as a tool to improve access to finance to small holder farmers and discuss the possible structure and regulatory framework for the ‘National Common Market’.

Objectives of the Seminar
The aim of the seminar is to discuss the multi-faceted challenges and opportunities in increasing integration of the value chain in India. It also aims to discuss ways to co-integrate issues of finance into the value chain framework to improve efficiency. Further, it intends to deliberate on the possibilities of developing innovative financial instruments into the value chain framework by supporting tripartite agreements between producers, lead firms and financial institutions. The seminar will also address the possible structure and regulatory framework for the ‘National Common Market’ as proposed by Hon’ble Union Finance Minister in his 2014-15 Budget. The forthcoming Seminar has been structured into six technical sessions to focus on the following themes:

Session-I : Structure and Regulatory Framework for the ‘National Common Agricultural Market’
Session-II : Infrastructure Support for Agriculture Value Chain
Session-III : Financing Indian Agriculture Value Chains
Session-IV : Innovative Financing of Commodity Value Chains
Session-V : Participation of Small Farmers in Agri-commodity Value Chains
Session-VI : Panel Discussion: Way Forward

Who can participate?
(i) Corporates/ private sectors/ exporters/traders dealing in agricultural inputs and outputs
As BIRD is exempt from payment of Income Tax under Section 10(23C)(vi) of the Income Tax Act, 1961, you are required to make payment of fee to BIRD for the training programme without deducting Tax at Source. In case the participation fee is remitted through RTGS, the UTR no. along with the name of the participant may be advised to us immediately through FAX / e-mail.

Venue
The venue of the conference shall be at Bankers Institute of Rural Development (BIRD), Lucknow.

Accommodation
The programme is residential. The participants are provided with self-contained, single occupancy air-conditioned lodging and boarding facility. The accommodation would be available from the afternoon of 28th November 2015 to the forenoon of 30th November 2015. The lodging and boarding facilities are for the participants only and as such, BIRD will not be in a position to accommodate spouse or children or guests of the participants under any circumstances.

About BIRD
Bankers Institute of Rural Development (BIRD) is a society registered under Societies Act, promoted by National Bank for Agriculture and Rural Development (NABARD), the apex Financial Institution in the area of Agriculture and Rural development in India. BIRD is involved in training, research and consultancy in the field of rural development and banking. The Institute is known for its region-focused, issue-specific and research based training courses and seminars, as well as feasibility and diagnostics studies. It undertakes consultancy and research studies in and outside India. It has undertaken assignments for prestigious national and international financing agencies. The Institute has full time highly qualified and experienced teaching faculty having specialization in diverse areas.

BIRD is located in a sprawling lush green campus of 42 acres and is fully equipped with centrally air-conditioned state-of-the-art class rooms, seminar/discussions rooms, computer lab, conference hall, auditorium, library, hostel, gymnasium, indoor games court, lounge, etc.

Duration of Seminar & Nomination
The programme would commence at 9.00 AM on 29 November 2015 (Sunday) at BIRD, Lucknow and will constitute 05.30 PM on 30 November 2015 (Monday). Interested participants may send the duly filled-in registration forms to Director, BIRD, Lucknow by post or email to nabard.valuechain@gmail.com as well as bird@nabard.org. The forms enclosed to this brochure may be used for registration.

Registration Fee & Mode of Payment

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<th>Banks/ Govt Dept/ Corporates</th>
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Delegates may make e-payment or can pay participation fee by demand draft drawn in favour of Bankers Institute of Rural Development payable at Lucknow.

Programme Coordinators:
Shr M V Ashok, Chief General Manager, Department of Economic Analysis & Research, National Bank for Agriculture & Rural Development, C-24, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai -400051
Phone: 022-26539575, 26539539
Email:dear@nabard.org / nabard.valuechain@gmail.com

Dr P K Joshi, Director, IFPRI - South Asia Regional Office, India, NASC Complex, CG Block Dev Prakash Shastri Road (Opp. Todapur), Pusa, New Delhi 110012 India
Phone: +91 11 2584-6556 / 6561 / 6567 / Fax: +91 11 2584.8008 / 2584.6572
Email: ifpri-NewDelhi@cgiar.org

Dr D V Deshpande, Director, Bankers Institute of Rural Development (BIRD), Sector - H, LDA Colony, Kanpur Road, Lucknow – 226 012 (India) / e-mail: bird@nabard.org,
Phone No.: 91-522-2421007 / 2421187 / 2421182. / Fax : 91-0522-2412047 / 2421176
Website: http://www.birdlucknow.in

Organizing Secretaries:
Dr Gyanendra Mani, Deputy General Manager, Department of Economic Analysis & Research (DEAR) NABARD, C-24, ‘G’ Block, Bandra-Kurla Complex, Bandra (E), Mumbai -400 051
Ph: (O): 022-2653-9539, (M): 09869742427, / e-mail: nabard.valuechain@gmail.com

Dr R S Reddy / S Manikumar Deputy General Manager/s
Bankers Institute of Rural Development, Sector - H, LDA Colony, Kanpur Road, Lucknow – 226012
E-mail: bird@nabard.org / Phone: 0522-2421014; 09849633456; 09453234708

Nomination Form
National Seminar on Financing of Agriculture Value Chains: Challenges and Opportunities (29 – 30 November 2015 at BIRD, Lucknow)

Full Name: .................................................................................................................................
Present Designation: ..................................................................................................................
Address: ....................................................................................................................................
City: ...........................................................................................................................................
Sex: Male Female
Name and Postal Address of Organisation: ..................................................................................
Arrival: Date: .................................................... Time: ................................................................
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Departure: Date: .................................................... Time: ................................................................
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Accommodation Required/ Not Required: ..................................................................................

Registration Fee Details - Details of D.D

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[In case of multiple nominations from the same institution, please use separate forms for each participant.]