



GOVERNMENT-SPONSORED REFINANCE SCHEMES AND SUBSIDIES ON FARMER EMPOWERMENT: A STUDY OF THE AGRI- CLINIC & AGRI-BUSINESS CENTERS PROGRAM IN INDIA

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ABSTRACT

The Agri-Clinic & Agri-Business Centers (ACABC) program, launched by the Government of India, aims to empower farmers and promote agricultural entrepreneurship through government-sponsored refinance schemes and subsidy releases. This study explores the impact of these financial interventions on farmer empowerment and entrepreneurial skill development in the agricultural sector. The research employs a descriptive research design with a qualitative approach, utilizing secondary data from government reports, academic journals, industry reports, and case studies. The data is analyzed using thematic analysis to identify trends and patterns related to the objectives of the research. The findings reveal that the ACABC program has made significant contributions to agricultural innovation, productivity, and rural development across various states in India. The program has supported diverse projects, including agro service centers, consultancy and farm development, custom hiring services, integrated farming systems, and dairy farming units. The financial support provided through subsidies and refinance schemes has been crucial in enhancing agricultural productivity, efficiency, and sustainability. The program has also contributed to creating employment opportunities and promoting economic stability in rural areas. However, challenges remain in ensuring equitable distribution of resources and support to the most underdeveloped regions. The study concludes that the ACABC program represents a vital step towards creating a more inclusive, innovative, and sustainable agricultural sector in India, with its continued success being crucial for shaping the future of agriculture in the country.

Keywords :- Agri-Clinic & Agri-Business Centers (ACABC) ,Refinance schemes- ,Entrepreneurial skill development

1. Introduction

Agriculture remains the backbone of many developing economies, providing employment, ensuring food security, and driving economic growth. However, the sector often faces numerous challenges, including limited access to finance, inadequate infrastructure, and insufficient technical know-how. To address these issues, governments have introduced various initiatives aimed at empowering farmers and promoting agricultural entrepreneurship. Among these initiatives, the government-sponsored refinance schemes and subsidy releases under the Agri-Clinic & Agri-Business Centers (ACABC) program stand out as pivotal strategies.

The ACABC scheme, launched by the Government of India, aims to supplement the extension services provided by state agricultural departments, generate gainful self-employment opportunities for agripreneurs, and support the agriculture sector through effective agricultural extension services. This initiative encourages agricultural graduates to start their own ventures by providing financial assistance and necessary training. The program encompasses various activities, including Agri-clinics, soil testing laboratories, post-harvest management, and agri-business centers, which are instrumental in enhancing the productivity and profitability of the agricultural sector.

Government-sponsored refinance schemes play a crucial role in the ACABC program by providing financial support to agripreneurs. These schemes ensure that financial institutions have sufficient liquidity to extend credit to agricultural enterprises at affordable rates. By reducing the financial burden on farmers and agripreneurs, these schemes facilitate the establishment and growth of agricultural ventures. The availability of refinance at concessional rates encourages banks and other financial institutions to lend to the agriculture sector, thereby bridging the credit gap and fostering agricultural development.

Subsidies released under the ACABC program further incentivize agripreneurs by reducing the initial capital outlay required to start agricultural businesses. These subsidies cover various aspects, including the cost of training, infrastructure development, and procurement of necessary equipment. By lowering the entry barriers, subsidies make it feasible for aspiring agripreneurs to venture into the agriculture sector, thus promoting innovation and entrepreneurship. The financial relief provided by these subsidies enables farmers to adopt modern agricultural practices, leading to increased productivity and sustainability.

This research paper aims to explore the impact of government-sponsored refinance schemes and subsidy releases under the ACABC program on farmer empowerment and entrepreneurial skill development. It seeks to understand how these financial mechanisms contribute to the overall growth and development of the agriculture sector by examining their effects on agripreneurs' capacity to innovate, adopt new technologies, and manage agricultural enterprises efficiently.

The concept of farmer empowerment in this context refers to enhancing farmers' ability to make informed decisions, access necessary resources, and improve their livelihoods through entrepreneurial activities. Empowered farmers are better equipped to cope with market fluctuations, climate change, and other challenges, ensuring the sustainability of their agricultural practices. This empowerment is crucial for transforming subsistence farming into profitable agribusinesses, thereby improving the socio-economic status of the farming community.

Entrepreneurial skill development is another critical aspect of this study. The ACABC program provides extensive training to agripreneurs, covering areas such as business management, financial planning, and technical skills related to agriculture. This training is essential for building a cadre of skilled agripreneurs who can drive innovation and efficiency in the agriculture sector. By fostering entrepreneurial skills, the program aims to create a robust ecosystem of agribusinesses that contribute to rural development and economic growth.

2. Literature reviews

Government-sponsored refinance schemes and subsidy releases under initiatives like Agri-Clinic & Agri-Business Centers (ACABCs) play a crucial role in empowering farmers and developing their entrepreneurial skills. This

literature review examines the impact of these interventions on farmer empowerment and entrepreneurial skill development.

1. Evidence from Research Papers

Impact of Agricultural Subsidies on Farmer Behavior A study by Cullen et al. (2021) investigated the impact of agri-environment schemes (AES) on farm sustainability. Using a 23-year panel data from Ireland, it was found that the participation in AES significantly influenced the type of farms and their environmental practices, suggesting that well-designed subsidy schemes can foster better environmental stewardship among farmers (Cullen et al., 2021)

Ye et al. (2024) highlights the importance of government subsidies in promoting digital transformation in agri-food supply chains through blockchain technology. The study suggests that subsidies can encourage early adoption of new technologies, thereby enhancing farmers' entrepreneurial skills and competitiveness (Ye et al., 2024)

Economic Impacts of Refinance Programs *Agarwal et al. (2022)* explored the Home Affordable Refinance Program (HARP) and its influence on mortgage refinancing and consumer spending. Although this study is centered on mortgage refinancing, it provides insights into how government-backed refinance schemes can significantly reduce financial burdens and stimulate economic activity, which can be analogous to the agricultural sector's refinance schemes (Agarwal et al., 2022)

Energy Policy and Agricultural Subsidies *Bartoli et al. (2016)* examined the impact of subsidization policies on maize prices and land demand for biogas production in Italy. The study found that changes in subsidy schemes could influence farmers' crop choices and land use, suggesting that subsidy policies can directly affect agricultural productivity and sustainability (Bartoli et al., 2016)

Interactions of Agri-Environmental Policies *Wang et al. (2018)* focused on the interactions between agricultural subsidy programs and payments for ecosystem services in China. The study revealed complex trade-offs and synergies among different policies, highlighting the importance of integrated policy design to maximize benefits for rural households and environmental outcomes (Wang et al., 2018)

3. RESEARCH METHODS

1.1. Objective of the Study

1. To evaluate the effectiveness of government-sponsored refinance schemes and subsidy releases in empowering farmers.
2. To analyze the impact of the ACABC program on the development of entrepreneurial skills among agripreneurs.
3. To investigate the overall contribution of the ACABC program to agricultural innovation and rural development.

The research will employ a **descriptive research design** with a **qualitative approach**, utilizing **secondary data** to explore the impact of government-sponsored refinance schemes and subsidies under the Agri-Clinic & Agri-Business Centers (ACABC) program. The methodology will consist of the following steps:

1. DataCollection:

Secondary data will be collected from various sources, including:

- **Government reports and publications** related to the ACABC program, refinance schemes, and subsidies.
- **Academic journals and research papers** that discuss the role of government schemes in agricultural development and entrepreneurship.
- **Industry reports and market studies** on the effectiveness of agricultural financial schemes and farmer empowerment.
- **Case studies** from agripreneurs who have benefited from the ACABC program, highlighting their experiences and outcomes.

- **Statistics** on agricultural sector growth, farmer income, and entrepreneurial activity in regions where the ACABC program has been implemented.

2. Data

Analysis:

The collected data will be analyzed using **thematic analysis** to identify common trends, themes, and patterns related to the objectives of the research. The analysis will focus on:

- The **impact of financial support** (refinance and subsidies) on the empowerment of farmers, including access to resources and decision-making capabilities.
- The **development of entrepreneurial skills** among agripreneurs, focusing on the effectiveness of training and capacity-building programs.
- The **overall contribution of the ACABC program** to agricultural innovation, productivity, and rural development.

In addition to thematic analysis, a **comparative analysis** will be conducted to evaluate the effectiveness of the ACABC program against other government initiatives in the agricultural sector.

3. Case

Study

Analysis:

Specific case studies of agripreneurs who have launched successful agri-businesses or improved their farming practices through the ACABC program will be examined. These case studies will provide practical insights into how the refinance schemes, subsidies, and training programs have contributed to their entrepreneurial growth and empowerment.

4. Limitations:

The research will rely entirely on secondary data, which may limit access to firsthand insights or up-to-date statistics. Additionally, the analysis will be constrained by the availability of comprehensive and relevant case studies to draw conclusions from.

4. Findings and Analysis

The data provided in the beneficiary lists for the Agri-Clinic and Agri-Business Centers (ACABC) scheme across the financial years 2022-23, 2023-24, and 2024-25 offer a comprehensive insight into the distribution and impact of subsidies released for various agricultural projects across India.

Geographic Distribution: Each year, the ACABC scheme exhibited extensive geographic coverage, encompassing multiple states including Tamil Nadu, Maharashtra, Madhya Pradesh, Uttar Pradesh, Telangana, Karnataka, and others such as Assam, Chhattisgarh, and Gujarat. This widespread distribution indicates the scheme's broad reach and its potential impact across diverse rural and semi-urban areas. Each state had representation from multiple districts, demonstrating the scheme's penetration and its role in supporting localized agricultural development.

Types of Projects: Across the three years, a consistent trend emerged in the types of projects supported by the scheme. Argo service centers were prominently funded each year, providing vital agricultural services and support to farmers. Consultancy and farm development projects also featured prominently, reflecting a shift towards knowledge-based agriculture. Custom hiring services for agricultural machinery were significantly emphasized, catering to the needs of small and marginal farmers who require access to machinery without the burden of ownership costs. Additionally, integrated farming systems and dairy farming units were well-supported, promoting agricultural diversification and sustainability. There was also a noticeable interest in sustainable practices, with several projects dedicated to organic farming and vermicompost units. Allied agricultural activities, such as fish farming and poultry farming, continued to receive support, highlighting the scheme's role in promoting a holistic approach to agricultural development.

Financial Support: The subsidy amounts varied significantly each year, ranging from smaller sums around ₹1.8 lakhs to larger amounts up to ₹16 lakhs, depending on the scale and nature of the projects. This variation ensured that both small-scale initiatives and larger projects received appropriate financial support. A diverse array of banks

participated in disbursing these subsidies, including nationalized banks, regional rural banks, and cooperative banks. This broad banking network underscores the scheme's extensive institutional support.

Impact and Opportunities: The ACABC scheme consistently contributed to creating employment opportunities in rural areas, thereby promoting economic stability. By focusing on agro service centers, custom hiring, and consultancy services, the scheme likely enhanced agricultural productivity and efficiency each year. The projects related to organic farming and vermicompost units supported sustainable agricultural practices, contributing to environmental conservation. These initiatives reflect the scheme's alignment with broader goals of sustainable development and economic resilience in rural areas.

Regional Specific Insights: Tamil Nadu and Maharashtra consistently had a high number of beneficiaries, reflecting strong uptake of the ACABC scheme. Similarly, Uttar Pradesh and Madhya Pradesh showed significant participation, particularly in custom hiring services and agri-business centers. Telangana and Karnataka also had notable representation, indicating widespread acceptance and implementation of the scheme in these regions.

Challenges and Considerations: Despite the successes, ensuring equitable distribution of resources and support to the most underdeveloped areas remains a challenge. Continuous efforts are needed to address regional disparities to ensure that the benefits of the scheme reach the most disadvantaged areas. Regular monitoring and evaluation of the projects are essential to ensure the effective use of subsidies and the sustainability of the initiatives.

Table 4.1 Agro Service Centre

Sr. No.	State	District	Amount (Lakhs)
1	Tamil Nadu	Tirunelveli	2.82233
2	Tamil Nadu	Thanjavur	7.2
3	Tamil Nadu	Namakkal	7.2
4	Tamil Nadu	Salem	2.17698
5	Tamil Nadu	Thanjavur	7.2
6	Tamil Nadu	Namakkal	7.2
7	Maharashtra	Solapur	3.776

SOURCE - NABARD - DEPARTMENT OF REFINANCE - GOVERNMENT SPONSORED SCHEME

The Agri-Clinic and Agri-Business Centers (ACABC) scheme has made significant investments in agricultural projects across Tamil Nadu and Maharashtra. In Tamil Nadu, districts such as Tirunelveli, Thanjavur, Namakkal, and Salem received funding for various initiatives. Tirunelveli received ₹2.82 lakhs for agro service centers offering seeds, fertilizers, pesticides, and consultancy. Thanjavur was allocated ₹7.2 lakhs twice for agro service centers and integrated farming projects aimed at boosting productivity. Namakkal also received ₹7.2 lakhs for integrated dairy and goat farming, along with veterinary consultancy. Salem was funded ₹2.18 lakhs for seed processing units. In Maharashtra, Solapur received ₹3.77 lakhs for agro service centers to improve access to agricultural resources.

Table 4.2 Agri Clinic

Sr. No.	State	District	Amount (Lakhs)
1	Uttar Pradesh	Auraiya	3.59998
2	Uttar Pradesh	Jaunpur	1.6848
3	Tamil Nadu	Dindigul	8.8
4	Uttar Pradesh	Amroha	2.16

5	Uttar Pradesh	Amroha	4.79156
6	Uttar Pradesh	Jaunpur	1.6848

SOURCE - NABARD - DEPARTMENT OF REFINANCE - GOVERNMENT SPONSORED SCHEME

The Agri Clinic scheme has allocated funds across various districts in Uttar Pradesh and Tamil Nadu. In Uttar Pradesh, the district of Auraiya received ₹3.60 lakhs, while Jaunpur was allocated ₹1.68 lakhs twice, totaling ₹3.37 lakhs for the district. Amroha received two separate allocations: ₹2.16 lakhs and ₹4.79 lakhs, amounting to ₹6.95 lakhs in total. In Tamil Nadu, the district of Dindigul was granted ₹8.80 lakhs. These investments aim to support agricultural development through the establishment of Agri Clinics and related services.

Table 4.3 Dairy Farming

Sr. No.	State	District	Amount (Lakhs)
1	Uttar Pradesh	Etawah	1.82886
2	Madhya Pradesh	Bhopal	1.8
3	Rajasthan	Shriganganagar	3.11856
4	Uttarakhand	Nainital	2.90212
5	Tamil Nadu	Namakkal	7.2
6	Tamil Nadu	Thanjavur	7.2
7	Tamil Nadu	Namakkal	7.2
8	Uttarakhand	Nainital	2.90212
9	Uttar Pradesh	Moradabad	2.7

SOURCE - NABARD - DEPARTMENT OF REFINANCE - GOVERNMENT SPONSORED SCHEME

The data for the Agri Clinic and Dairy Farming scheme highlights investments across various districts in Uttar Pradesh, Madhya Pradesh, Rajasthan, Uttarakhand, and Tamil Nadu. In Uttar Pradesh, Etawah received ₹1.83 lakhs, and Moradabad was allocated ₹2.70 lakhs. Madhya Pradesh's Bhopal district received ₹1.80 lakhs, while Rajasthan's Shri Ganganagar received ₹3.12 lakhs. In Uttarakhand, both Nainital districts were allocated ₹2.90 lakhs each. Tamil Nadu saw significant investments, with Namakkal receiving ₹7.20 lakhs twice and Thanjavur also receiving ₹7.20 lakhs, focusing on dairy farming and related agricultural initiatives. These funds aim to support the development of dairy farming infrastructure and related services in these regions.

Table 4.4 Custom Hiring

Sr. No.	State	District	Amount (Lakhs)
1	Uttar Pradesh	Amroha	2.16
2	Uttar Pradesh	Amroha	2.88
3	Uttar Pradesh	Amroha	4.79156
4	Uttar Pradesh	Amroha	2.16
5	Uttar Pradesh	Amroha	2.88
6	Uttar Pradesh	Amroha	4.79156
7	Uttar Pradesh	Amroha	2.88

Table 4.5 Selling Agriculture Inputs & Consultancy

Sr. No.	State	District	Amount (Lakhs)
1	Maharashtra	Kolhapur	5.4
2	Maharashtra	Pune	6.883
3	Maharashtra	Pune	7.2
4	Maharashtra	Pune	7.2
5	Maharashtra	Kolhapur	4.716

Source - NABARD - Source - NABARD - Department Of Refinance - Government Sponsored Scheme

Conclusion

This research has examined the significant role that government-sponsored refinance schemes and subsidy releases under the Agri-Clinic & Agri-Business Centers (ACABC) program play in empowering farmers and fostering entrepreneurial skill development in the agricultural sector. The findings reveal that these financial interventions have been crucial in addressing the long-standing challenges faced by farmers, particularly in terms of access to finance, technical know-how, and market resources. Through a strategic combination of subsidies, training programs, and refinance mechanisms, the ACABC program has enabled agripreneurs to develop their skills, innovate, and establish sustainable agricultural enterprises.

The geographic spread of the program across multiple states such as Tamil Nadu, Uttar Pradesh, Maharashtra, and Madhya Pradesh highlight the broad impact of these initiatives, demonstrating their effectiveness in various agricultural contexts. Projects such as agro service centers, dairy farming, agri-clinics, and custom hiring services have not only increased agricultural productivity but also contributed to rural employment and economic resilience.

Furthermore, the empowerment of farmers, facilitated by better access to financial resources and entrepreneurial training, has the potential to transform subsistence farming into profitable agribusinesses. This transformation is essential for improving the socio-economic status of the farming community and ensuring food security in the long term. The ACABC program, with its emphasis on innovation, sustainability, and rural development, plays a central role in this transformation.

However, despite the success of the program, challenges remain, particularly in ensuring equitable distribution of resources and support to underserved regions. It is crucial to address these disparities and ensure that the benefits of the ACABC scheme reach the most marginalized areas. Continuous monitoring and evaluation will be essential for improving the effectiveness and sustainability of these initiatives.

In conclusion, the ACABC program, supported by government-sponsored refinance schemes and subsidies, represents a vital step toward creating a more inclusive, innovative, and sustainable agricultural sector. Its impact on farmer empowerment and entrepreneurial skill development is evident, and its continued success will be crucial in shaping the future of agriculture in India.

Recommendations and Suggestions

The Agri-Clinic & Agri-Business Centers (ACABC) program has made significant strides in empowering farmers and promoting agricultural entrepreneurship, but there are areas that can be further improved to maximize its impact. One key recommendation is to strengthen financial accessibility. While the government's refinance schemes have facilitated access to credit, simplifying the loan application process and reducing bureaucratic hurdles could further enhance the program's reach. An online platform for applications could ensure transparency and streamline the process, particularly for farmers in remote areas.

Additionally, there is a need for targeted support in underserved regions, particularly in remote and economically weaker areas, where farmers still face significant barriers in accessing the benefits of the scheme. Government policies should prioritize these regions to ensure equitable distribution of resources. The program should also focus on building the capacity of agripreneurs through ongoing training. Expanding the training modules to include advanced business management, digital tools for farming, and climate-smart agricultural practices would ensure that agripreneurs can effectively manage their businesses and adapt to modern agricultural challenges.

A continuous monitoring and impact assessment framework is essential for evaluating the effectiveness of the subsidies, refinance schemes, and training programs under the ACABC initiative. Developing data collection tools and impact measurement indicators will allow for real-time evaluation, enabling the program to be adjusted and improved based on ground-level insights. Additionally, promoting innovation and technology adoption should be a

key priority. The government should incentivize the use of advanced technologies like precision farming, automated machinery, and digital platforms, which can lead to higher productivity and sustainability.

Collaboration with the private sector, NGOs, and agricultural cooperatives could also enhance the program's effectiveness. By partnering with these organizations, the program can leverage expertise, market linkages, and international best practices to create a more robust ecosystem for agripreneurs. Moreover, promoting gender inclusion within the program should be a conscious effort. Offering gender-specific subsidies and training programs for women farmers would empower them to take leadership roles in agricultural innovation and entrepreneurship.

Sustainability should also be prioritized, with the ACABC program placing greater emphasis on promoting environmentally friendly agricultural practices, such as organic farming and water conservation. This approach aligns with global trends toward sustainable agriculture and can help reduce the environmental footprint of farming. To increase the program's outreach, government agencies should intensify awareness campaigns using local media, agricultural fairs, and community-based programs, ensuring that more farmers and agripreneurs benefit from the available resources.

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