

Agri Export Zones (AEZ)

Current status of AEZ

At present, APEDA has set up 60 Agri-Export Zones (AEZs) spread over 230 districts in 20 states. The crops covered include fruits, vegetables, spices, cashew, tea, basmati rice, medicinal plants, pulses etc. In all, 35 crops were identified for promotion in these zones. The total investment committed under the AEZ programme by all agencies stands at Rs.1, 724 crore, including private investments of Rs.970 crore.

NABARD Initiatives in Promotion of AEZs

Financial Initiatives

- Keeping in view the larger objective of promoting exports, NABARD has extended 100% refinance scheme to all client institutions (CBs, RRBs, SCBs, SCARDBs with NPA not exceeding 5%). In order to augment the reach of bank credit and increase the production of commercial crops as also for creation of marketing avenues for the farmers, all contract farming arrangements (within and outside AEZs) are made eligible for availing special refinance package.
- For accelerating the export growth of agricultural produce with institutional credit in AEZs, NABARD has executed a tripartite agreement (MoU) with APEDA and EXIM Bank in November 2002 to synergise the efforts and to leverage the respective strengths.
- NABARD has provided a minimum repayment period of 3 years for all activities in AEZs.
- Preparation of crop specific credit plans for AEZs.
- Sanctioned a scheme for cultivation and processing of Gherkins in Karnataka under co-financing scheme.

Promotional Initiatives

- Conducted sensitization programmes for the officials of Banks & NABARD through BIRD & NBSC, Lucknow during 2003-04 & 2004-05 and sensitization meets in 106 districts through DDMs.
- Investors conferences for Agri-Exports in four regions along with APEDA and EXIM Bank to explore the possibilities of higher investment in agri exports by Corporate Sector.
- NABARD Regional Offices have been conducting State Level Review meetings on AEZs involving all stakeholders to address the challenges in implementation of AEZs.
- Inter Institutional meetings of NABARD, APEDA and EXIM Bank were held during 2002-03, 2003-04 and 2004-05 to review the progress of implementation in AEZs and to consider further policy changes.