

# 'Agriculture least hit by Covid-19; expect vibrant production'

The National Bank for Agriculture and Rural Development (Nabard), the apex financial institution for rural development, is expected to play a crucial role in supporting the rural economy as a large number of migrant workers head home. **HARSH KUMAR BHANWALA**, chairman of Nabard, in a telephonic interview with Namrata Acharya, shares his insights on the impact of the Covid-19 pandemic on the rural sector. Edited excerpts:

## **What is the status of the RBI's special refinance window to Nabard?**

We have extended fresh lending of above ₹12,000 crore to regional rural banks (RRBs) and rural cooperatives for FY21. The RBI has given us a refinance window of ₹25,000 crore, for one year. We will blend it with our resources to augment the resources of such rural financial institutions.

Not only that, we will fund microfinance institutions too. Nabard refinances 17 MFIs at present, covering close to 70 per cent of the total assets in the sector.

## **Out of the ₹25,000 crore, how much can RRBs and cooperatives avail?**

Of this, I expect ₹20,000 crore to be given to them.

## **Many smaller MFIs say they are keen to get funding from your subsidiaries. Where do you stand on that?**

We are open to this idea of funding, either directly from us based on applicable norms, or through bigger MFIs that avail refinancing from us.

## **What is your assessment of the Covid impact on agriculture?**

The agriculture sector has seen



the least impact, even though there have been challenges in a few segments. We are expecting vibrant crop production this year. Preparations for the next

phase of sowing are robust. The sale of fertilisers and seed this year have been encouraging and haven't been less than last year.

Water availability in reservoirs, too, has surpassed last year. As regards procurement, many states are more or less on schedule. In Punjab, a major procurement state, levels are more or less like last year for the corresponding procurement period.

**Q&A**

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