

## Towards Aatmanirbharta: Agriculture Infrastructure Fund

The Government has launched a financing facility of INR1 lakh crore under the Agriculture Infrastructure Fund for Agri-entrepreneurs, Agri start-ups, and various farmer groups for the creation of farm-gate infrastructure and nurturing of farm assets. With a 10-year duration, the scheme is valid until 2029.

- The Agriculture Infrastructure Fund was part of the INR20 lakh crore Aatmanirbhar India package, announced by the Government to help tackle the challenges brought on by the COVID-19 crisis
- The Agriculture Infrastructure Fund aims to provide medium-to-long term debt financing facilities for the creation of post-harvest management infrastructures and farming assets such as cold storage, collection centres, processing units, etc. through schemes like Interest subvention and financial support
- The Agriculture infrastructure fund, which will be managed and monitored through an online Management Information System (MIS) platform, will enable all the qualified entities to apply for a loan under the fund
- The loan amount of Rs 1 lakh crore will be made available to the farmers over four years. Rs 10,000 crore will be made available between the years 2020-2021, and for the remaining three years, Rs 30,000 crore will be given.

### Features

- INR1 lakh crore will be sanctioned to the financing facility, in partnership with multiple lending institutions, as loans to various farm societies, Farmer Producer Organisations (FPOs), Agritech start-ups, etc.
- A credit guarantee coverage will also be available for eligible borrowers, under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme, for a loan up to INR2 crores.
- Beneficiaries would be provided about a 3 per cent interest subvention and up to INR2 crore of credit guarantee, to increase the viability of the projects
- The moratorium for repayment under this financing facility may vary, subject to a minimum of six months and a maximum of two years

### Benefits

- The Fund will help micro and small farmers earn additional income through the means of **value-added Agri-produce**
- Through the means of interest subvention and credit guarantees, the Fund will help **bridge the funding gap** for agribusiness entrepreneurs and FPOs.
- The Agriculture Infrastructure Fund of Rs 1 lakh crore will help to **increase the pace of development** of critical farm-gate infrastructure using appropriate technologies in rural India.
- The scheme will be monitored through an online platform, making it easier for authorities to **monitor progress and initiate corrective action**, if required
- All assets under this scheme will be **geotagged for effective real-time monitoring**, which would help improving transparency and set a benchmark for all future projects

- The Agriculture Infrastructure Fund, coupled with the changes in the APMC Act, is in line with the Government's efforts to help improve farmers' income, by ensuring they get higher value for their produce
- A source of funding will support the promotion and development of agribusinesses and increase processing and value addition of produce, especially from small and marginal farmers
- The Fund's aims will bring in technological advancements in the rural economy, as it supports more than 350 Agri start-ups engaged in food processing, AI, IoT, manufacturing of Agri-related smart equipment, and renewable energy
- The creation of infrastructure will help to mitigate post-harvest losses and wastage by giving a much-needed boost to scientific storage facilities, enabling farmers to sell directly to bulk buyers, processors, and consumers.