

Agriculture Infrastructure Fund crosses Rs.30,000 crore mark of capital mobilization for projects in agriculture sector for creation of post-harvest management infrastructure and community farming assets

Posted On: 23 JAN 2023 3:27PM by PIB Delhi

Within two-and-a-half years of the implementation of the Agriculture Infrastructure Fund (AIF), the scheme has mobilized more than Rs.30,000 crore for projects in the agriculture infrastructure sector with a sanctioned amount of Rs.15,000 crore under AIF. With support of 3% interest subvention, credit guarantee support through CGTMSE for loan of upto Rs.2 crore and facility of convergence with other Central and State Govt. Scheme, AIF is providing all around financial support to the farmers, agri-entrepreneurs, farmer groups like Farmer Producer Organisations (FPOs), Self Help Groups (SHGs), Joint Liability Groups (JLGs) etc. and many others to create post-harvest management infrastructure and build community farming asset throughout the country.

Understanding the demand supply gap between the need of the consumers and supply of primary processed vegetables from the farmers, Yogesh CB from Mandya district of Karnataka was looking to setup a primary processing centre for vegetable. While looking for the support available from Government, he came across the AIF scheme in the year 2020. He applied for a loan of Rs.1.9 cr. on AIF portal, which got verified by the Ministry of Agriculture and Farmers Welfare and sanctioned by Bank of India very quickly in December 2020. He was able to ground his vision with the help of AIF and Ariant Veg Private Limited came into the existence. Through the interest subvention provided under AIF he was able to secure the finance at an effective Rate of Interest (RoI) of just 5.45% which is much lower than the open market rate. At present, Ariant Veg supports more than 250 local farmers by providing them seeds and the technology to grow quality vegetables, then they collect the yield from the farmers at a fair price which is then cleaned, sorted, graded, and packed in the processing centre before reaching to the end consumer on a daily basis.

Similarly, Anand Patel, a farmer from Jabalpur district of Madhya Pradesh realized the importance and need of mechanization in agriculture especially for small and marginal farmers for whom agriculture machineries are not affordable. He then established a hi-tech hub where agriculture machineries are provided on the rental basis to the local farmers. This Hi-tech Hub has 12 Farm machinery including combine harvester, thresher, laser land leveler, tractors, zero till seed cum fertilizer drill, mulcher etc. that costs around Rs. 60.82 Lakhs which seemed a lot for a farmer like Mr. Patel. But through Agriculture Infrastructure Fund and its unique feature of convergence with other Central Govt. and State Govt. schemes, Mr. Patel was not only able to secure a loan of Rs. 45.62 Lakhs at an interest rate of just 5.4% but also got the benefit of capital subsidy of 40% of the total project cost under Sub-Mission on Agriculture Mechanization (SMAM) scheme of MoA&FW. Now he is providing services of these machines to more than 100 small and marginal farmers which helped them in saving a lot of effort, time and money.

Yogesh and Anand are two of more than 20,000 beneficiaries of AIF, whose dream to diversify their profile and take a forward leap in agricultural development has come true through AIF support. AIF is silently changing the landscape of Indian Agriculture through creation and modernization of much needed agriculture infrastructure. These infrastructure projects are helping in reducing post-harvest losses, modernizing agriculture package and practices and moreover helping farmers in better price realization of their produce.

Agriculture Infra Fund (AIF) is a financing facility launched on 8th July 2020 under the visionary guidance of the Prime Minister Shri Narendra Modi, for creation of post-harvest management infrastructure and community farm assets. Under this scheme, Rs 1 lakh crore is to be disbursed by financial year 2025-26 and the interest subvention and credit guarantee assistance will be given till the year 2032-33.



I
n
o
r
d
e
r
t
o
c
r
e
a
t
e
a
w
a
r
e
n
e
s
s
a
b
o

u
t
A
I
F
a
m
o
n
g
s
t
v
a
r
i
o
u
s
s
t
a
k
e
h
o
l
d
e
r
s
,
M
o
A
&
F
W
h
a
s
b
e
e
n
o
r
g
a
n
i
s
i
n
g

m
u
l
t
i
p
l
e
c
o
n
c
l
a
v
e
s
a
n
d
w
o
r
k
s
h
o
p
s
;
I
m
a
g
e
s
c
l
o
c
k
w
i
s
e
,
(
1
)
J
o
i
n
t
S

e
c
r
e
t
a
r
y
,
D
A
&
F
W
,
I
n
c
h
a
r
g
e
o
f
A
I
F
s
c
h
e
m
e
,
S
h
r
i
S
a
m
u
e
l
P
r
a
v
e
e
n
K
u
m

a
r
a
d
d
r
e
s
s
i
n
g
b
a
n
k
e
r
s
a
t
N
a
t
i
o
n
a
l
A
I
F
B
a
n
k
e
r
s
,
C
o
n
c
l
a
v
e
t
i
t
l
e
d

‘
B
a
n
k
e
r
s
a
r
e
A
n
c
h
o
r
s
,
,
(
2
)
M
a
h
a
r
a
s
h
t
r
a
S
t
a
t
e
A
I
F
C
o
n
c
l
a
v
e
a
t
P
u
n

e
,
(
3
)
A
I
F
w
o
r
k
s
h
o
p
f
o
r
f
a
c
u
l
t
i
e
s
o
f
b
a
n
k
t
r
a
i
n
i
n
g
i
n
s
t
i
t
u
t
i
o
n
s
a

n
d
(
4
)
U
t
t
a
r
P
r
a
d
e
s
h
S
t
a
t
e
A
I
F
c
o
n
c
l
a
v
e
a
t
L
u
c
k
n
o
w

SNC/PK/MS

(Release ID: 1892987)