



Agriculture Infrastructure Fund for Agripreneurs

Central Sector Scheme of Financing Facility Under “Agriculture Infrastructure Fund”

The Department of Agriculture & Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Govt. of India has formulated the Central Sector Scheme with an objective to mobilize a medium long term debt financing facility for investment in viable projects relating to post-harvest management infrastructure and community farming assets through incentives and financial support in order to improve agriculture infrastructure in the country.



Agri-Clinics and Agri-Business Centres (AC&ABC) Scheme



The Agri-Clinics and Agri-Business Centres (AC&ABC) scheme is a flagship programme of Ministry of Agriculture & Farmers Welfare (MoA&FW), Govt. of India. The scheme aims at creating self-employment opportunities for unemployed agricultural graduate through free training, start-up loans, subsidy, mentoring and refresher programmes. The established agripreneurs provide value added extension services to the door step of farmers. The National Institute of Agricultural Extension Management (MANAGE), an autonomous organization of Ministry of Agriculture and Farmers Welfare, Govt. of India is the implementing agency of AC&ABC Scheme in the country through a network of 111 Nodal Training Institutes spread across the country. The scheme has till date trained 75,124 candidates and established 31,720 agri-ventures since two decades.

With the launch of Agriculture Infrastructure Fund, the trained and established agripreneurs have got an opportunity to establish new unit or scale up the operations of the existing one. With Credit Guarantee, incentive and interest subvention lending institutions will be able to lend with a lower risk to Agripreneurs which was a hurdle earlier. With a dedicated source of funding, agripreneurs can push for innovation in agriculture sector by leveraging new age technologies including IoT, AI, etc It will also connect the players in ecosystem and hence, improve avenues for collaboration between agripreneurs and farmers.

Benefits of Agriculture Infrastructure Fund for Agripreneurs

- ❑ All loans under this financing facility will have interest subvention of 3% per annum up to a limit of Rs. 2 crore. This subvention will be available for a maximum period of seven years.
- ❑ Further, credit guarantee coverage will be available for eligible borrowers from this financing facility under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme for a loan up to Rs. 2 crore. The fee for this coverage will be paid by the Government.
- ❑ In case of FPOs the credit guarantee may be availed from the facility created under FPO promotion scheme of Department of Agriculture & Farmers Welfare (DA&FW).
- ❑ Moratorium for repayment under this financing facility may vary subject to minimum of 6 months and maximum of 2 years.

Key Features of Agriculture Infrastructure Fund



Size of the fund - Rs. 1 lakh Crore, to be released on FCFS basis; upto 25 projects per individual beneficiary in diff. locations¹

Beneficiaries - Farmers, FPOs, PACS, Entrepreneurs, Startups, SHG, APMCs, Federation etc.



Interest Subvention - 3% p.a. up to loan Rs. 2 Cr (NABARD loans for PACS at 1% post subvention)

Credit Guarantee - Under CGTMSE scheme for loan up to Rs. 2 Crore



Duration - 7 years (Including moratorium period of upto 2 years)

Gov support in lending process - facilitate and drive speedy sanctions through a user-friendly online portal



Lending Institutions - 24 Commercial Banks, 40 Cooperative Banks, NABARD, etc.

Convergence - Allowed to dovetail with several schemes (across ministries, state govt.)



1. No limit for State Agencies and Federations of FPOs, SHGs, etc.

Multiple types of stakeholders eligible under Agriculture Infrastructure Fund



Farmers

- Individual farmers



Farmer Groups

- Farmer groups (whether registered or unregistered); few examples:
- Farmer Producer Organisations
- Joint Liability Groups
- Self Help Groups
- Primary Agricultural Coop Societies



Agri entrepreneurs

- Individual business owners like millers, exporters, food processing units, traders, storage providers, etc.
- Supply chain players
- Smart farming



Large businesses

- FMCG players
- Exporters
- Food processors
- Equipment manufacturers



State agencies

- Agricultural Produce Marketing Committees (APMCs)
- Federations of FPOs, SHGs, Cooperatives
- State Warehousing Corporations

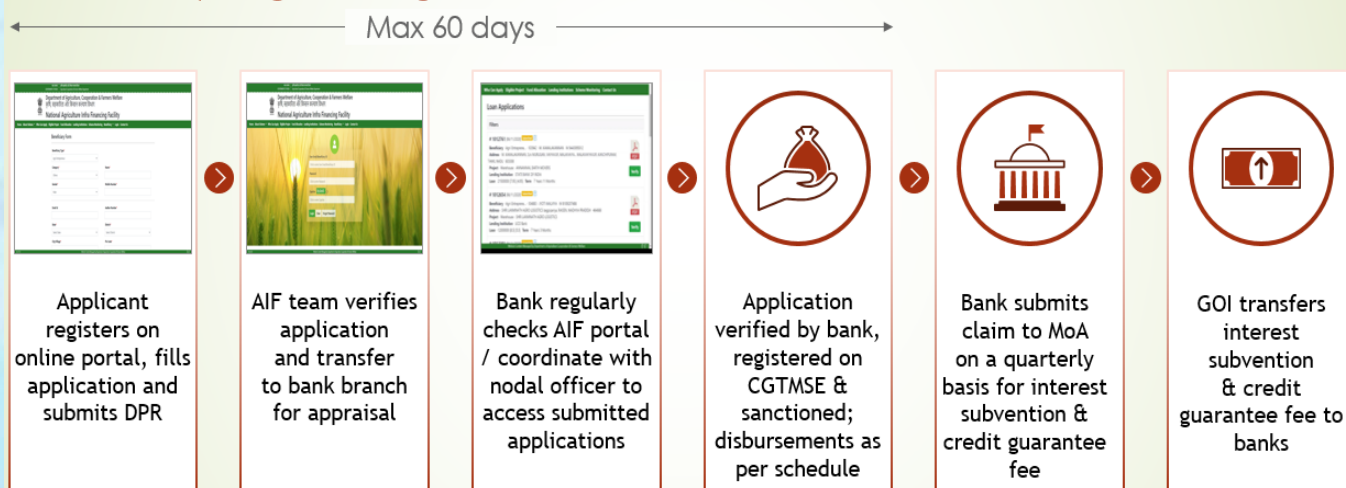
Projects to be Funded Under Agriculture Infrastructure Fund

The scheme will facilitate setting up and modernization of key elements of the value chain including :

<p>(A) Post Harvest Management Projects:</p> <ul style="list-style-type: none"> ▪ Supply chain services including e-marketing platforms ▪ Warehouses ▪ Silos ▪ Pack Houses ▪ Assaying Units ▪ Sorting & Grading Units ▪ Cold Chains ▪ Logistic Facilities ▪ Primary Processing Centres ▪ Ripening Chambers 	<p>(B) Projects on Hub and Spoke Model:</p> <ul style="list-style-type: none"> ▪ Projects identified for providing supply chain infrastructure for clusters of crops including export clusters. ▪ PPP projects promoted by Central/State/Local Govt. or their agencies.
	<p>(C) Viable Projects for Building Community Farming Assets Including:</p> <ul style="list-style-type: none"> ▪ Organic Inputs Production ▪ Bio Stimulant Production Units ▪ Infrastructure For Smart And Precision Agriculture

Agriculture Infrastructure Fund portal - Simple online application process setup for the scheme

AIF Platform: <https://agriinfra.dac.gov.in/>



Frequently Asked Questions (FAQs)

Q. What is the implementation period of scheme?

A. The Scheme will be operational from 2020-21 to 2029-30. However, the loan disbursement period will be between 2020-21 and 2023-24. Interest subvention and credit guarantee for loan will be applicable only for 7 years from the date of first disbursement of loan.

Q. What is the interest subvention cost being borne by the Government?

A. All loans up to a limit of ₹2 crores under this financing facility will have interest subvention of 3% per annum. This subvention will be available for a maximum period of 7 years. In case of loans beyond ₹2 crores, the interest subvention will be limited up to ₹2 crores.

Frequently Asked Questions (FAQs)

Q. Whether there is a cap of minimum or maximum loan quantum under AIF Scheme?

A. The scheme does not have a minimum or maximum loan cap. However, the maximum loan quantum on which the benefit of the scheme applicable is upto ₹2 crores.

Q. What will be the lending rates for loans of AIF projects above ₹2 crores?

A. The subvention will be applicable only on the loan of ₹2 crore. Banks may decide market driven interest rate beyond the subvention scheme amount.

Q. Can the eligible entity chose a project other than mentioned in the scheme under AIF?

A. The scheme will facilitate setting up and modernization of key elements of the agri value chain. The mentioned infrastructures in the guidelines are indicative in nature. Other viable agriculture infrastructure projects under similar category, apart from the mentioned indicative projects are also eligible for the scheme benefits.

Q. Is there a cap on lending rate?

A. Yes, The cap on lending rate of up to ₹2.00 Cr. (Rupees two crore) will be 06 monthly/ Annual MCLR plus 100 basis point (floating) subject to maximum 9.00 percent (Nine percent per annum) for all eligible projects.

Q. Is there any capital subsidy available from the Central Govt. under the scheme?

A. There is no capital or margin subsidy under the scheme but central government will provide 3% interest subvention per annum upto an outstanding loan limit of ₹2.00 crores and credit guarantee fee for loan amount upto ₹2.00 crores.

Q. Is borrower's contribution mandatory to become eligible under the scheme?

A. Yes, it is mandatory for borrowers to contribute atleast 10% of total project cost irrespective of available capital subsidy.

Q. From which date onwards the borrowers will get the benefit of interest subvention?

A. The loan under the eligible infrastructures whose first disbursement are made on or after 8th July 2020 are eligible to get the benefit under the scheme.

Q. How will the scheme be monitored?

A. To monitor the scheme, Monitoring Committees will be set up at National, State and District levels. This will to ensure real-time monitoring and effective feed-back on the implementation of the scheme.

For more enquiry regarding the AIF Scheme, Kindly visit the site using the link provided below:

<https://agriinfra.dac.gov.in/>, <https://www.manage.gov.in/aif/aif.asp>



National Institute of Agricultural Extension Management (MANAGE)

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