



Agriculture Infrastructure Fund

25 AUGUST 2021

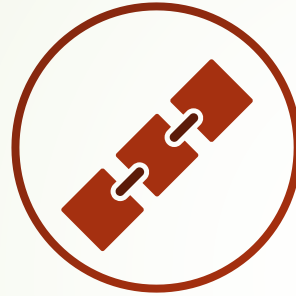


Agri Infrastructure Fund launched to solve critical gaps, promote funding for post-harvest infra, community farming assets



Absence of post-harvest infra

15%+ post harvest-losses



Dependence on intermediaries

30-50% lower realizations vis a vis retail prices



Lack of long-term institutional funding

Lack of credit for long term investment



Potential to increase funding for startups and MSMEs

600+ high potential agritech startups



Key Events



Announcement of Rs 1 lakh crore Agri Infrastructure Fund under Atmanirbhar Bharat Package by Union Finance Minister on 15.05.2020



Approval by the Cabinet Committee on 08.07.2020 chaired by Hon'ble Prime Minister



Formal Inauguration of the Scheme by Hon'ble Prime Minister in the presence of Union Agriculture Minister on 09.08.2020



Agriculture Infrastructure Fund setup to drive infra investments; 8 key features



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.



Modifications approved by Cabinet recently; will help achieve multiplier effect in driving investments



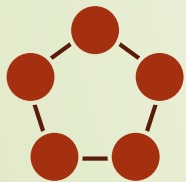
Eligibility extended to include more beneficiaries –

- APMCs, State Agencies, National & State Federations of Cooperatives, Federations of Farmers Producers Organizations (FPOs) and Federations of Self-help Groups (SHGs) now eligible under the scheme



Cap on number of projects per beneficiary increased from 1 project to 25 projects –

- Private entities can now submit upto 25 applications under the scheme; projects to be in different locations having different LGD code
- No limit on applications for State agencies, Federations of farmer groups



APMCs can setup multiple projects in same location of different types –

- Interest subvention for loan upto Rs. 2 crore will be provided for each project of different infrastructure types e.g., cold storage, sorting, grading and assaying units, silos, etc. within the same market yard



Duration of the scheme extended from 4 to 6 years –

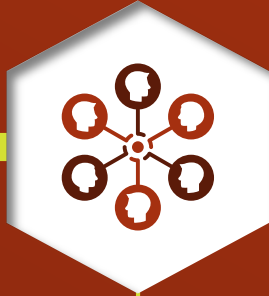
- Period of financial facility has been extended from 4 to 6 years upto 2025-26 and overall period of the scheme has been extended upto 2032-33

Multiple types of stakeholders eligible under Agri Infra Fund



Farmers

- Individual farmers



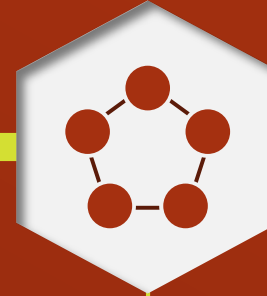
Farmer Groups

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



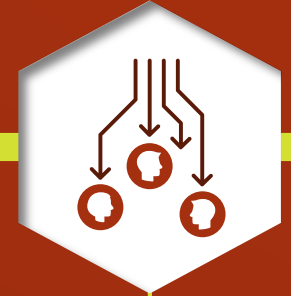
Agri entrepreneurs

- 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

Multiple post-harvest infra types & community farming assets eligible under AIF

Non-exhaustive

Post-harvest infrastructure

Storage Parks – Modern silos



Modern silos can **reduce wastage to less than 1%** and reduce desperate sell

Warehouses



Warehouses can **reduce wastage to less than 5%** and improve PHM

Integrated pack-houses



Drive exports by meeting international standards and quarantine safety

Community farming assets

Custom Hiring Centers



Mechanization can help **reduce costs/acre by ~30%**

Cold chain infrastructure



Cold storages can **reduce post-harvest losses to less than 5%**

Community drying yards



Yards in every village - Can **reduce post-harvest losses by 5% to 10%**

Refrigerated transportation







Ensure long distance fresh produce transfer; **wastage in transportation ~5%**

IoT/ Precision farming assets








Promote AI based smart farming solutions – **can increase yield by 10% - 20%**

List of primary processing activities eligible under Agriculture Infrastructure Fund (1/3)

Sl. No.	Crops	Eligible PHM & Primary Processing Activities	Not eligible under AIF
1	 <p>Fruits and vegetables</p>	<ul style="list-style-type: none"> Washing Cleaning Drying Sorting Grading 	<ul style="list-style-type: none"> Blanching for primary processing Cooling Waxing Conditioning Dehydration Concentrated products Canning Juice extraction Sterilization
2	 <p>Pulses</p>	<ul style="list-style-type: none"> Cleaning De-stoning Drying Sorting & grading De-husking 	<ul style="list-style-type: none"> Canning Besan Papads Pulse based foods Puffed chickpea Pulse polishing
3	 <p>Cereals (Wheat, Paddy, etc.)</p>	<ul style="list-style-type: none"> Cleaning De-stoning Sorting & grading Hulling Milling Pounding Grinding 	<ul style="list-style-type: none"> Tempering Parboiling Soaking Drying Sieving Irradiation Fermentation Baking Puffing Flaking Frying Extrusion Blending Roasting
4	 <p>Oilseeds</p>	<ul style="list-style-type: none"> Cleaning De-stoning De-husking (decorticating machines) 	<ul style="list-style-type: none"> Winnowing Oil extraction (ghani, hydraulic press etc.) By-product utilization Refining Neutralization Bleaching

List of primary processing activities eligible under Agriculture Infrastructure Fund (2/3)

Sl. No.	Crops	Eligible PHM & Primary Processing Activities	Not eligible under AIF
5	 Spices	<ul style="list-style-type: none"> • Cleaning • Drying • Sorting • Boiling • Polishing 	<ul style="list-style-type: none"> • Grinding • Packaging • Storage • Irradiation • Roasting • Sterilizing • Thermal treatment
6	 Coffee	<ul style="list-style-type: none"> • Cleaning • Drying of cherries • Washing 	<ul style="list-style-type: none"> • Hulling • Pulping • Roasting • Grinding • Extraction
7	 Sugarcane	<ul style="list-style-type: none"> • Cane unloading • Cleaning • Cane breaking • Cane milling • Straining 	<ul style="list-style-type: none"> • Evaporators • Centrifugation • Storage tanks • Dryers
8	 Cotton	<ul style="list-style-type: none"> • Cleaning • Drying • Ginning 	<ul style="list-style-type: none"> • Pressing & Bailing • Lintering • Fibre finishing • Scouring • Purifying • Spinning • Weaving
9	 Cocoa	<ul style="list-style-type: none"> • Cleaning • Gathering of pods • Sorting • Breaking of pods 	<ul style="list-style-type: none"> • Fermentation of cocoa • Drying • Storage • Roasting • Winnowing • Alkalization



List of primary processing activities eligible under Agriculture Infrastructure Fund (3/3)

Sl. No.	Crops	Eligible PHM & Primary Processing Activities	Not eligible under AIF
10	 Jute	<ul style="list-style-type: none"> • Cutting • Retting • Stripping • Washing 	<ul style="list-style-type: none"> • Drying • Bailing • Packing • Storage
11	 Cashew	<ul style="list-style-type: none"> • Cleaning • Streaming in boiler • Shell cutting • Drying 	<ul style="list-style-type: none"> • Peeling • Grading • Packaging
12	 Moringa	<ul style="list-style-type: none"> • Washing • Drying • Milling 	<ul style="list-style-type: none"> • Storage • Packaging
13	 Tea	<ul style="list-style-type: none"> • Cleaning • Withering • Rolling 	<ul style="list-style-type: none"> • Fermentation • Drying • Sorting
14	 Rubber	<ul style="list-style-type: none"> • Mastication • Mixing • Shaping 	<ul style="list-style-type: none"> • Curing • Irradiation • Syrup • Pills Cream • Roasting • Frying • Distillation • Concentration
15	 Herbal and Medicinal Crops	<ul style="list-style-type: none"> • Cleaning • Sorting 	<ul style="list-style-type: none"> • Drying



Convergences allowed with several central and state schemes to reduce ongoing cost & improve viability of projects

Non-exhaustive



Sub schemes under Mission for Integrated Development of Horticulture

35% – 50% capital subsidy for infra including cooling units, pack house, ripening chambers, reefer vans, etc.



PM Formalisation of Micro Food Processing Enterprises Scheme

35% capital subsidy along with additional support for FPOs, SHGs for working capital, training, DPR preparation



Sub Mission on Agriculture Mechanization (SMAM)

Community farming assets with up to 40% procurement subsidy for establishment of custom hiring service centers



Rashtriya Krishi Vikas Yojana (RKVY)

Convergence with state plan for funds provided by centre under RKVY scheme



Sub-schemes under PM Kisan Sampada (PMSKY)

35% capital subsidy for infra like cleaning, grading, sorting, packaging, drying, IQF etc.



Operation Greens

50% capital subsidy for TOP crops (Tomato, Onion, Potato) consisting of all components of integrated value chain development project: formation & capacity building of FPOs, quality production, post harvest infra like – sorting, grading, collection center, agri-logistics, infra at market/consumption points

AIF portal - Simple online application process setup for the scheme

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

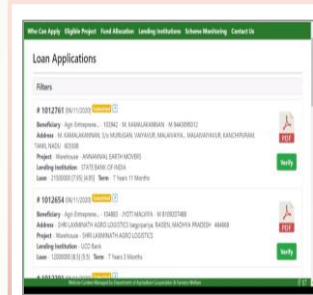
← Max 60 days →



Applicant registers on online portal, fills application and submits DPR



AIF team verifies application and transfer to bank branch for appraisal



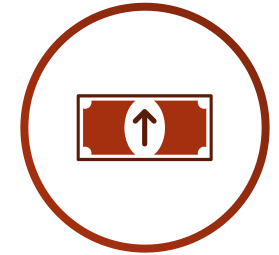
Bank regularly checks AIF portal / coordinate with nodal officer to access submitted applications



Application verified by bank, registered on CGTMSE & sanctioned; disbursements as per schedule



Bank submits claim to MoA on a quarterly basis for interest subvention & credit guarantee fee



GOI transfers interest subvention & credit guarantee fee to banks



सत्यमेव जयते

**Ministry of Agriculture
& Farmers Welfare,
Government of India**