



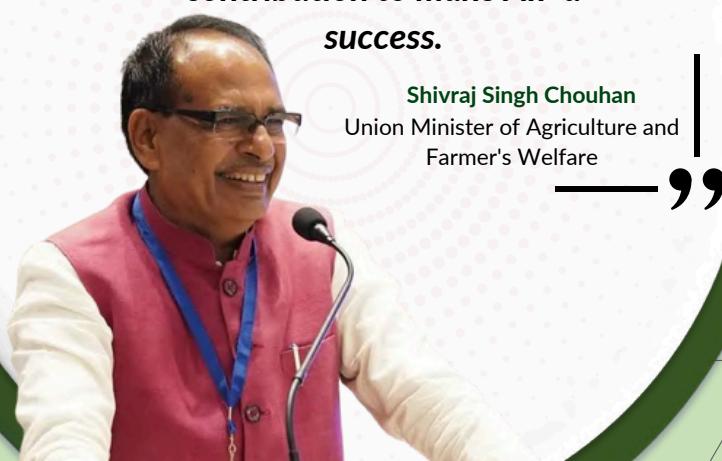
AGRICULTURE INFRASTRUCTURE FUND

BULLETIN

• Vol.1 • Issue : 8 • Nov 2024

“
AIF has emerged as a boon today.
I thank Bankers from the bottom
of my heart for their incomparable
contribution to make AIF a
success.

Shivraj Singh Chouhan
Union Minister of Agriculture and
Farmer's Welfare



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information





FROM THE CPMU DESK

As we close another productive month, it is heartening to share the progress made under the Agriculture Infrastructure Fund (AIF). Compared to the corresponding period last year, 50% more projects have been sanctioned this year reflecting the sector's real spirit and growth momentum. The disbursement has been remarkable, achieving a consistent monthly growth of over ₹1,000 crore for the past five consecutive months. The singular credit for this continuously accelerating growth momentum, achieving new milestones month after month, goes to our esteemed banker friends. Time and again, they have demonstrated that they are the true anchors driving this remarkable success.

We take this moment to applaud the amazing team of the State Bank of India for consistently proving itself as an unparalleled leader, a beacon of light, and a shining example within the banking industry. Reaching the significant milestone of ₹10,000 crore in advances under AIF is a testament to their dedication, vision, and relentless pursuit of excellence.

In a significant outreach initiative, AIF actively participated in the fortnight-long India International Trade Fair (IITF) at Bharat Mandapam, New Delhi. The event drew an impressive number of visitors from all corners of the country, underscoring the growing recognition of AIF's role in empowering rural economies.

As we look ahead, we urge all banks to take inspiration from SBI's exemplary leadership in setting new benchmarks under AIF. Together, let us drive greater achievements and ensure that this ambitious initiative continues to transform agricultural infrastructure across the nation.

Your feedback is invaluable in helping us enhance the Bulletin further. We welcome your suggestions to make this platform more insightful and engaging.

Happy Reading...

AIF Progress as on 30th Nov 2024

- Applications Received 1,60,990
- Loan Applied Rs. 1,02,239 Cr.
- Projects Sanctioned 85,314
- Amount Sanctioned Rs. 51,783 Cr.
- Investment Mobilized Rs. 85,208 Cr.
- Amount Disbursed Rs. 34,011 Cr.

Achievements under Progressive Expansion

- **Integrated Processing Units**
Projects Sanctioned: 63
Amount Sanctioned: Rs. 51.5 Cr
- **PM Kusum Comp A**
Projects Sanctioned: 09
Amount Sanctioned: Rs. 31.1 Cr
- **Viable Farming Practices**
Projects Sanctioned: 61
Amount Sanctioned: Rs. 51.7 Cr

Progress during Nov 2024

- Applications received 5250
- Loan Applied Rs. 2,742 Cr.
- Projects Sanctioned 3,425
- Amount Sanctioned Rs. 1,219 Cr.
- Investment Mobilized Rs. 1,926 Cr.
- Amount Disbursed Rs. 1,284 Cr.

AIF - PROGRESS AT A GLANCE

Since the Inception in FY 2020-21, AIF scheme has performed appreciably well which is also evident from the numbers it has achieved. Under this scheme, as of 30th November 2024; Rs. 51,783^{*} crore have been sanctioned for 85,314 Projects among PACS and Other Entities including Farmers, Agri Entrepreneurs, Start-ups FPOs, SHGs. These sanctioned projects have mobilized an investment of Rs 85,208 Crore in agriculture sector. Major projects sanctioned under AIF include 22,627 custom hiring centres, 17,699 primary processing units, 14,201 warehouses, 3,282 sorting & grading units, 2,044 cold store projects, around 25,461 other kinds of post-harvest management projects and viable farming assets.. Around 43% of beneficiaries are Agri entrepreneurs followed by 42% farmers, 11% PACS & remaining 4% are other beneficiaries including start-ups, FPOs etc.

Talking more about the progress in the month of November 2024, Central PMU has received 5,250 applications asking for a credit of Rs. 2,742 crore. Total 3,425 applications have been sanctioned during the month itself granting Rs. 1,219 crore to the beneficiaries. Apart from these approvals, The Lending Institutions have done commendable work by disbursing Rs. 1,284 Crore for 3,152 projects during the month. Consequently, in the said month itself the scheme has mobilized an investment of Rs. 1,926 crore in agricultural sector.

Of the 3425 sanctioned projects, about 33% have been established in the states of Punjab & Madhya Pradesh followed by 9.5% in Maharashtra & 09% in West Bengal. We would also like to appreciate the efforts of State Bank of India (31%), Bank of India (11.7%) & HDFC Bank (10.3%) who have together funded more than half of the total loan amount sanctioned for the month i.e Rs. 1219 crore followed by Punjab National Bank, Canara Bank, Bank of Baroda & Central Bank of India who together have funded additional one fourth. Major sanctioned projects include 1368 CHCs, 531 PPCs, 197 Warehouses, 49 sorting & grading units, 32 cold chains and 1248 other activities.

Out of 76029 disbursed projects as on October end, 47889 projects have been successfully Geo Tagged which is more than 63%. The PMU has successfully created awareness among the beneficiaries for geo tagging their project locations which is evident from the achieved numbers. 85% of disbursed projects of Tamil Nadu, 84% of Uttar Pradesh & Assam and 82% of such projects from Madhya Pradesh have been Geo Tagged along with all 2 projects geo tagged in Meghalaya (100%).

During the last month, 2890 projects got full disbursements from respective Lending Institutions. Of these, 57% beneficiaries were Farmers, 37% were Agri-entrepreneurs and 2.2% were PACS. Out of these fully disbursed projects, 1128 were CHC followed by 447 PPC, 200 warehouses and 42 Sorting and Grading units. State wise Punjab topped the chart with 635 completely disbursed projects followed by MP with 373 and Maharashtra with 331 projects.

★ This includes in-principle sanction by NABARD



State wise Sanction during the Month

Amt. in Rs. Crore

S. No.	Project State	No. of Application	Amount Sanctioned
1	Maharashtra	322	180
2	Madhya Pradesh	529	124
3	Punjab	592	116
4	Uttar Pradesh	254	109
5	West Bengal	300	86
6	Others	1428	604
	Total	3,425	1,219

Bank wise Sanction during the Month

Amt. in Rs. Crore

S. No.	Lending Institutions	No. of Application	Amount Sanctioned
1	State Bank of India	1,200	378
2	Bank of India	482	142
3	HDFC Bank	337	126
4	Punjab National Bank	362	103
5	Canara Bank	126	96
6	Others	918	374
	Total	3,425	1,219

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 Harvest Power with PMKUSUM-'A' & AIF Convergence now !



Cultivating Change: Green Solutions to Stubble Burning in Punjab

In the fertile lands of Shaheed Bhagat Singh Nagar, Punjab, where the issue of stubble burning once loomed large, a remarkable transformation is underway. Thanks to the vision of Mr. Amarjit Singh and the unwavering support of the Agriculture Infrastructure Fund (AIF), a



game-changing project for pellet production from crop residues has taken root.



Mr. Amarjit Singh,
Singh Green BioEnergy Plant

Mr. Amarjit Singh's venture, the Singh Green BioEnergy Plant, represents an innovative leap in crop residue management. The plant utilizes biomass machinery to convert agricultural and industrial waste—including paddy straw, plant residues, wastepaper, and more—into high-calorific-value pellets. These pellets serve as a renewable energy source for industrial boilers, replacing fossil fuels and reducing carbon footprints.

Supported by AIF, the project was brought to life with a total investment of ₹1.22 crore and a loan of ₹91.5 lakh at an effective interest rate of 6%, facilitated by HDFC Bank.

A Ripple Effect of Positive Change

The impact of this initiative extends far beyond the production floor:

- Cleaner Air, Healthier Soil:** By purchasing paddy straw from local farmers, the plant tackles stubble burning, protecting the environment and preserving soil fertility.
- Renewable Energy for Industries:** These pellets provide a cost-effective, sustainable energy solution for industries, driving a shift away from polluting fossil fuels.



- Community Empowerment:** The project generates direct and indirect employment for skilled and unskilled workers, improving livelihoods in rural Punjab.

Reaping Environmental and Economic Rewards

Singh Green BioEnergy Plant is a testament to the potential of sustainable innovation. Farmers who once struggled with the burden of stubble disposal now have an alternative that benefits both the environment and their incomes. Simultaneously, industries gain access to cleaner energy solutions, marking a significant step toward a sustainable future.



Paving the Way for a Greener Tomorrow

This success story underscores the critical role of AIF in empowering entrepreneurs like Mr. Amarjit Singh to lead India's agricultural revolution. By supporting sustainable projects that address pressing challenges, AIF is not only transforming rural communities but also contributing to India's climate goals.

Through projects like these, Punjab's golden fields are no longer just a symbol of agricultural wealth but also a beacon of innovation, sustainability, and progress.



Planting Prosperity: Transforming Agriculture with Advanced Seed Processing

In Chenjerla, Telangana, Sangamitra Seeds Corporation is driving a silent revolution. With support from the Agriculture Infrastructure Fund (AIF), this pioneering seed processing unit is empowering farmers and transforming India's agriculture through high-quality paddy seeds.

A Vision for Agricultural Excellence

Established in 2021-22, the Sangamitra Seeds Corporation was designed to bridge a critical gap in seed quality and availability for paddy cultivation. With a project cost of ₹4.06 crore, supported by a ₹2.5 crore loan at a concessional 6% interest rate from Indian Bank, the seed processing unit has brought modern processing technologies to rural Telangana. This project exemplifies how AIF's financial support can unlock transformative potential in agricultural infrastructure.



Impacting Lives and Livelihoods

The Sangamitra Seeds Corporation has become a cornerstone of the local farming ecosystem:

- Empowering Farmers:** The project directly benefits 2,000 to 3,000 farmers by providing access to superior seed varieties, enhancing crop yields and profitability.
- Creating Jobs:** With direct employment for 25 individuals, the unit also supports a network of indirect jobs, strengthening the local economy.
- Boosting Rural Revenue:** Generating annual revenues of ₹10 to ₹20 lakh, the project ensures financial sustainability while contributing to rural development.

By focusing on paddy varieties, the Sangamitra Seeds Corporation addresses the foundational need for quality seeds, a critical determinant of agricultural success. The modern seed processing techniques employed at the unit ensure that farmers receive seeds with high germination rates, better disease resistance, and optimal productivity.

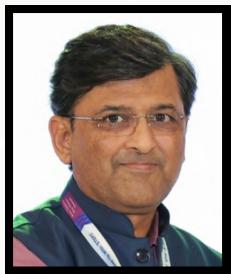
A Future of Growth and Sustainability

With AIF's support, this seed processing unit has set a benchmark for similar projects across India. It showcases how targeted investments in agricultural infrastructure can transform lives, enhance food security, and drive the nation's agricultural revolution. The Sangamitra Seeds Corporation is not just a project; it's a promise—to farmers, to the environment, and to the future of Indian agriculture.



Agriculture Infrastructure Fund : A Game Changer in Transforming Agriculture and Enhancing Farmer's Income

- By Shantanu Pendse



The Agriculture Infrastructure Fund (AIF), a visionary initiative of the Indian government in 2020, addresses critical challenges in agriculture by enhancing infrastructure across the value chain. Farmers, who bear the highest risks, often receive minimal rewards due to their limited role in the supply chain. Additionally, India faces annual post-harvest losses exceeding ₹1.50 trillion. AIF aims to double farmers' incomes by empowering them within the supply chain, providing financial support for infrastructure development, and recently including secondary processing projects to maximize its impact.

Understanding the Agriculture Infrastructure Fund

The AIF is a medium- to long-term debt financing facility, providing loans at concessional rates for investment in agricultural infrastructure. Its key features include:

Funding Mechanism: The AIF scheme has a corpus of ₹1 lakh crore, to be disbursed between 2020 and 2026. It offers an interest subvention of 3% per annum, capping the effective interest rate at just 6% per annum, with credit guarantees available for loans up to ₹2 crore. The repayment period extends up to seven years, including a two-year moratorium, ensuring affordable and flexible financing for beneficiaries.

Beneficiaries: Farmers, Farmer Producer Organizations (FPOs), Primary Agricultural Credit Societies (PACS), startups, and agri-entrepreneurs are eligible to avail benefits under the scheme. State and cooperative institutions, as well as public-private partnerships (PPPs), are also encouraged to participate.

Focus Areas: The scheme focuses on building post-harvest infrastructure such as warehouses, silos, cold chains, and logistics facilities, while also supporting community farming assets like farm gates, ripening chambers, and sorting and grading units. It promotes secondary processing through food processing units, value addition, packaging, and marketing, enabling farmers to become key players in the agricultural supply chain.

The AIF is designed to integrate farmers into the supply chain, making them key stakeholders rather than mere producers. The scheme's framework addresses critical bottlenecks in storage, transportation, processing, and marketing, enabling farmers to capture greater value from their produce.

- Post-Harvest Infrastructure Development:** AIF addresses critical challenges by reducing post-harvest losses—currently 15-20% of India's produce—through modern cold chains and warehouses, enabling longer shelf life and better market access. It also improves price realization by allowing farmers to store produce and sell at favorable prices. Additionally, AIF supports value addition through secondary processing facilities like milling, extraction, and packaging, transforming raw produce into high-value products. This is complemented by initiatives to promote local brands through enhanced packaging and marketing, boosting farmers' incomes
- Market Linkages:** The scheme enables farmers to directly connect with consumers, retailers, and exporters, bypassing intermediaries, while infrastructure support for e-NAM (National Agriculture Market) facilitates online trading and competitive pricing. It also empowers farmer collectives like FPOs and cooperatives to establish shared infrastructure projects, fostering economies of scale and greater bargaining power in markets.

The Inclusion of Integrated Processing combining both Primary to Secondary: A Game-Changer

The recent inclusion of secondary processing under the AIF marks a significant shift in the agricultural value chain. Secondary processing involves turning raw agricultural produce into market-ready products. For example, wheat can be processed into flour, and biscuits can be the extended product.

1. Higher Margins and Revenue:

- Secondary processing allows farmers to capture a greater share of the final product's value, compared to selling raw produce.
- It opens new avenues for exports, where processed products have higher demand and fetch premium prices.

2. Rural Industrialization:

- Establishing food processing units at the village level promotes rural industrialization and creates local employment opportunities.
- By clustering such units around farming hubs, the scheme fosters integrated agri-business ecosystems.

3. Diversification of Income Sources:

- Farmers can invest in processing units for multiple products, reducing their dependence on a single crop and mitigating risks.

The Way Forward: Integrating Projects for Maximum Impact

For the AIF to achieve its full potential, a holistic and integrated approach is essential. This involves seamless connectivity between primary production, infrastructure development, and market access.

1. Integrated Value Chain Projects:

- Establish infrastructure clusters that encompass storage, processing, and marketing facilities.
- Promote partnerships between farmers, private players, and technology providers for efficient operations.

2. Digital and Technological Interventions:

- Encourage the adoption of smart technologies like IoT-enabled cold chains and blockchain-based traceability systems to enhance transparency and efficiency.
- Develop mobile apps and online platforms for better farmer engagement in markets.

3. Policy and Financial Support:

- Ensure easier access to credit and streamline bureaucratic processes for timely project implementation.
- Offer additional subsidies for secondary processing projects and encourage women and youth participation.

4. Skill Development and Capacity Building:

- Train farmers and FPOs in value addition, quality control, and marketing strategies.
- Promote awareness of export opportunities and global food safety standards.

The Impact

In last 4 years, since inception of AIF, a sum of Rs. 51783 Crs has been sanctioned by the Banks for 85,314 Agri Infra projects with total investment flow of Rs. 85,208 Crs in improving the farm gate infrastructure which is stupendous progress.

The Agriculture Infrastructure Fund is, thus, a transformative initiative aimed at addressing systemic inefficiencies in the Indian agricultural sector. By emphasizing post-harvest management, value addition, and secondary processing, it not only ensures higher incomes for farmers but also creates a resilient and sustainable supply chain. However, its success hinges on effective implementation, seamless integration of projects, and active participation from all stakeholders. With a forward-looking approach, the AIF can play a pivotal role in achieving the vision of Atmanirbhar Bharat and securing a prosperous future for Indian farmers.

[Shri Pendsey is the former Chief General Manager of SBI, leading Agriculture Business and MSME Financial Inclusion at the Corporate Centre, Mumbai. Under his leadership, SBI contributed 31% to the Agriculture Infrastructure Fund scheme, making it a key driver of the initiative.]



Moments that Matter

AIF made a impactful presence at the 43rd India International Trade Fair (IITF) 2024 held at Bharat Mandapam, New Delhi. The AIF pavilion showcased its role in transforming agricultural infrastructure and attracted diverse visitors, including farmers, agri-entrepreneurs, and students. Engaging presentations by Mr. Prince Hritz and Mr. Ananjay Kumar from CPMU highlighted the AIF's benefits and objectives, sparking interest in innovative agri-financing



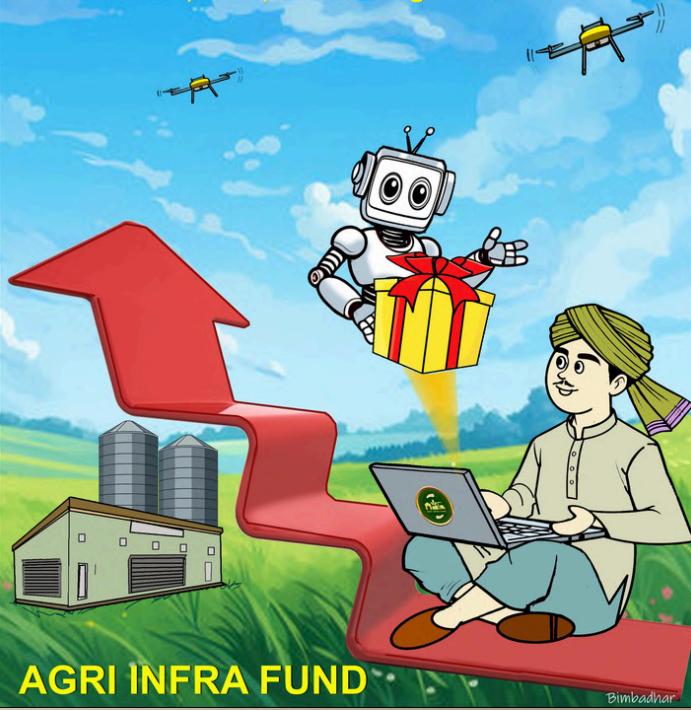
AIF State PMU Telangana participated in Rythu Panduga (Farmers Festival) organized by the State Agriculture Department at Mahbubnagar (27–30 Nov 2024) & showcased the Agriculture Infrastructure Fund (AIF) scheme to farmers. The Hon'ble State Agriculture Minister, APC Sir, District Collectors, and other officers visited the stall.

AIF Glitters at Nagaland's iconic Hornbill Festival 2024 – The 'Festival of Festivals' uniting cultures



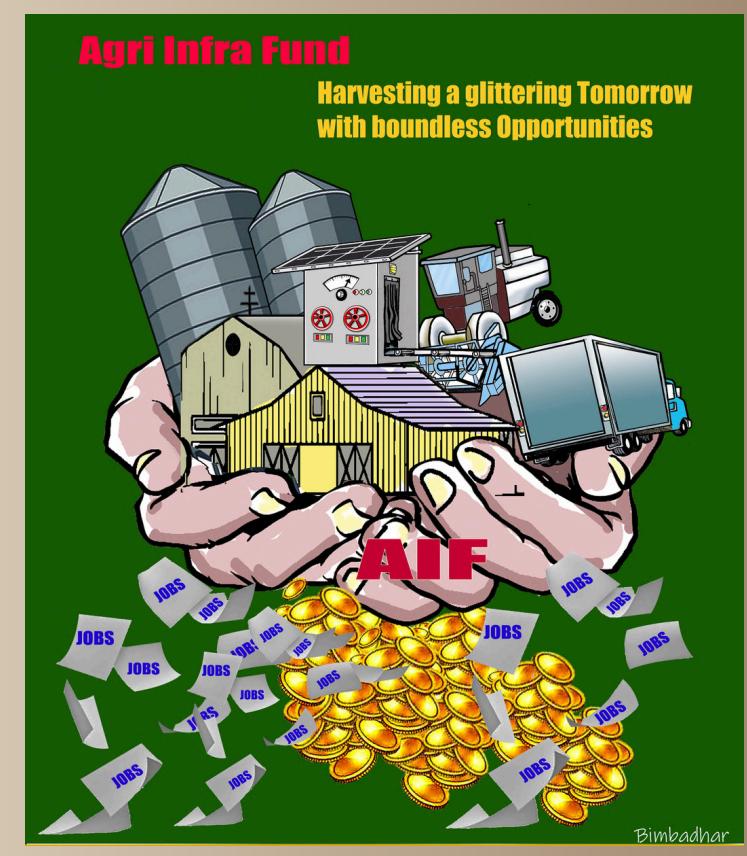
CARTOON CORNER

Heralding a New Era in Farming
with Tech, Tools, and Thriving Fields



Agri Infra Fund

Harvesting a glittering Tomorrow
with boundless Opportunities



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