Ministry of Agriculture & Farmers Welfare

Central Sector Scheme of financing facility under 'Agriculture Infrastructure Fund'

Relevant for M&M-FES

8th July 2021

Context:

The Union Cabinet chaired gave its approval to the following modifications in Central Sector Scheme of Financing Facility under 'Agriculture Infrastructure Fund'.

- The scheme was approved by the cabinet last year under the guidance of Prime Minister Shri Narendra Modi.
- It aims to provide debt financing facilities for projects on post-harvest management and community farming assets.
- The new modifications in the scheme are expected to aid the accumulation of investments significantly.
- The assurance of the scheme's benefits reaching farmers with a low or marginal income is greater with the modifications.

This decision will not only further empower the APMCs but will also increase employment opportunities. This is likely to bring more investment in the agricultural infrastructure sector.

Salient Features

- State Agencies/APMCs, National & State Federations of Cooperatives, Federations of Farmers Producers Organizations (FPOs) and Federations of Self Help Groups (SHGs) have now been made eligible for being covered under the scheme.
- In contrast to the previous interest subvention for a loan up to USD\$2.68 million at one location, the new modifications enable projects across different locations to become eligible for an interest subvention for the same amount. Each of the projects must be situated in a location with separate Local Government Directory (LGD) codes. The limit for this subvention for the private sector is a maximum of 25 projects.

- The authority to bring about any required changes with respect to the addition or removal of a beneficiary in a way that retains the underlying spirit of the scheme has been delegated to the Hon'ble Minister of Agriculture & Farmers Welfare.
- Each project for APMCs, irrespective of differing infrastructure types (for example cold storage, sorting, grading and assaying units, silos, within the same market yard) will be provided with interest subvention for a loan of up to USD\$2.68 million.
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Conclusion

Modifications in the Scheme will help to achieve a multiplier effect in generating investments while ensuring that the benefits reach small and marginal farmers. APMC markets are setup to provide market linkages and create an ecosystem of post-harvest public infrastructure open to all farmers. The multiplier effect will mean great investment in farm equipment, vehicles, crop care etc. This is also an opportunity for Mahindra and Mahindra to contribute to the agri-value chain through technology-based interventions.