



## The Prime Minister's Office

### PM Modi to launch financing facility under Agriculture Infrastructure Fund

August 9, 2020

Relevant to M&M-FAAS, Mahindra Finance

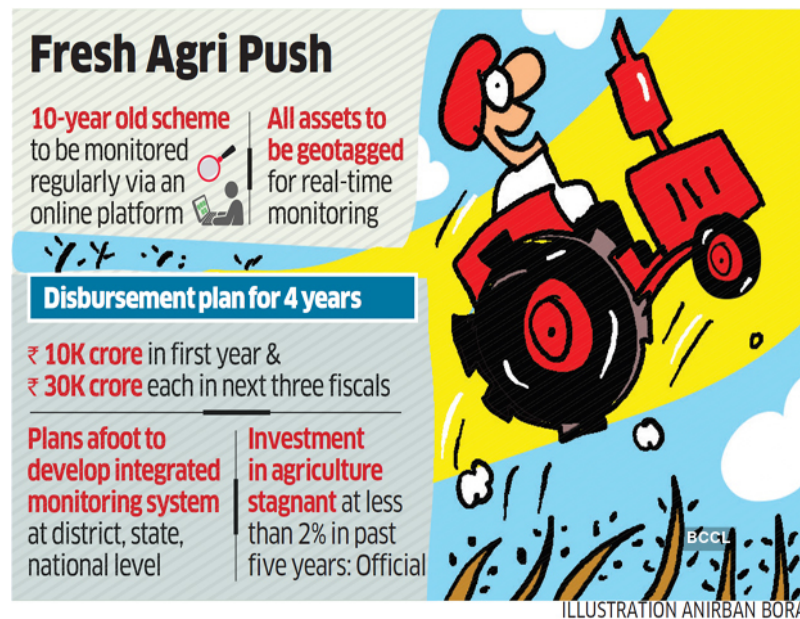
#### What is the Agriculture Infrastructure Fund ?

- The Agriculture Infrastructure Fund is a medium - long term debt financing facility for investment in viable projects for post-harvest management infrastructure and community farming assets through interest subvention and credit guarantee
- The duration of the scheme shall be from FY2020 to FY2029 (10 years)
- Under the scheme, Rs. 1 Lakh Crore will be provided by banks and financial institutions as loans with interest subvention of 3% per annum and credit guarantee coverage under CGTMSE scheme for loans up to Rs. 2 Crore
- The beneficiaries will include farmers, PACS, Marketing Cooperative Societies, FPOs, SHGs, Joint Liability Groups (JLG), Multipurpose Cooperative Societies, Agri-entrepreneurs, Startups, and Central/State agency or Local Body sponsored Public-Private Partnership Projects

#### Benefits

- The scheme will support farmers, PACS, FPOs, Agri-entrepreneurs, etc. in building community farming assets and post-harvest agriculture infrastructure
- These assets will enable farmers to get greater value for their produce as they will be able to store and sell at higher prices, reduce wastage, and increase processing and value addition
- The Prime Minister also released the 6th instalment under the PM-KISAN scheme of Rs. 17,000 Crore to nearly 8.5 Crore farmers. The cash benefit was transferred directly to their Aadhaar verified bank accounts with the press of a button
- With this transfer, the scheme has provided over 90,000 Crore in the hands of more than 10 Crore farmers since its launch on 01 December 2018
- The beneficiaries will include farmers, PACS, Marketing Cooperative Societies, FPOs, SHGs, Joint Liability Groups (JLG), Multipurpose Cooperative Societies, Agri-

entrepreneurs, Startups, and Central/State agency or Local Body sponsored Public-Private Partnership Projects



(Source : <https://economictimes.indiatimes.com/news/economy/agriculture/review-of-1l-cr-agri-infra-fund-in-works/articleshow/77336855.cms>)

### The Infrastructure related to the fund

- The funds will be provided for setting up of cold stores and chains, warehousing, silos, assaying, grading and packaging units, e-marketing points linked to e-trading platforms and ripening chambers, besides PPP projects for crop aggregation sponsored by central/state/local bodies
- The agri-infra fund, which will be managed and monitored through an online Management Information System (MIS) platform, will enable all the qualified entities to apply for loan under the fund

### References:

1. <https://www.financialexpress.com/economy/pm-modi-launches-financing-facility-of-rs-1-lakh-crore-under-agriculture-infrastructure-fund/2049574/>
2. <https://www.indiatoday.in/india/story/pm-modi-to-launch-financing-facility-under-agriculture-infrastructure-fund-1709319-2020-08-09>
3. <https://economictimes.indiatimes.com/news/politics-and-nation/pm-modi-launches-financing-facility-worth-rs-1-lakh-crore-under-agriculture-infrastructure-fund/articleshow/77442686.cms#:~:text=New%20Delhi%3A%20Prime%20Minister%20Narendra,management%20and%20nurturing%20of%20farm%20assets.>
4. <https://currentaffairs.gktoday.in/pm-modi-to-launch-financing-facility-under-agriculture-infrastructure-fund-08202032373.html>

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5. <https://pib.gov.in/PressReleasePage.aspx?PRID=1644529>