



Agriculture Infrastructure Fund

Why in News

Recently, the Union Cabinet approved some modifications in the [Central Sector Scheme](#) of Financing Facility under '**Agriculture Infrastructure Fund**'.

Key Points

- **Launch:** It was launched in 2020 as a part of the [Rs. 20 lakh crore stimulus package](#) announced in response to the [Covid-19 crisis](#).
- **Aim:** To provide **medium-long term debt financing facility** for investment in viable projects for post-harvest management Infrastructure and community farming assets.
 - The **funds will be provided for** setting up of cold stores and chains, warehousing, grading and packaging units, e-marketing points linked to e-trading platforms, besides [PPP \(Public Private Partnership\) projects](#) for crop aggregation sponsored by central/state/local bodies.
- **Duration:** Extended to 13 years upto 2032-33.
- **Features:**
 - **Eligible Beneficiaries:**
 - They are Farmers, [Farmer Producer Organizations \(FPOs\)](#), Primary Agricultural Credit Society (PACS), Marketing Cooperative Societies, [Self Help Groups \(SHGs\)](#), Joint Liability Groups (JLG), Multipurpose Cooperative Societies, Agri-entrepreneurs, Start-ups, and Central/State agency or Local Body sponsored PPP Projects.
 - Eligibility has been **extended to State agencies** and [Agricultural Produce Marketing Committees \(APMCs\)](#), as well as federations of cooperative organisations, FPOs and SHGs.
 - **Financial Support:** Rs. **1 Lakh Crore** will be provided by **banks and financial institutions** as loans to eligible beneficiaries.
 - Moratorium for repayment may vary subject to minimum of 6 months and maximum of 2 years.
 - **Interest Subvention:** Loans 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.
 - **CGTMSE Scheme:** A 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.
- **Management:** The fund will be managed and monitored through an online **Management Information System (MIS)** platform. It will enable all the qualified entities to apply for loans under the Fund.
 - The National, State and District level monitoring committees will be set up to ensure real-time monitoring and effective feed-back.

Source: PIB

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