

## ***Key Reforms and Schemes Enhancing Agricultural Infrastructure***

(Ministry of Agriculture & Farmers' Welfare)

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### Introduction

The Indian government has been working in mission mode to transform the agricultural sector through various initiatives that reflect a commitment to enhancing productivity and infrastructure.

The government has consistently prioritised developing and enhancing agricultural infrastructure as a key strategy to boost the agriculture sector and uplift farmers' livelihoods. By investing in modern facilities, irrigation systems, storage solutions, and technological advancements, the government aims to create a sustainable and resilient agricultural ecosystem. These efforts are intended not only to increase productivity but also to ensure long-term economic stability and improved living standards for farmers across the country.

### Advancing Agricultural Productivity and Infrastructure

The government is advancing agricultural productivity through a broad range of centrally-supported initiatives. These efforts include developing infrastructure, enhancing crop, horticultural practices, and ensuring seed quality.



**Productivity and Resilience in Agriculture**

**1.52 Lakh Crore** allotted for agriculture and allied sectors in 2024-25

- Digital Public Infrastructure (DPI) in agriculture will cover farmers and their lands within three years
- 109 high-yielding & climate-resilient varieties of 32 field & horticulture crops released for cultivation by farmers.
- 10,000 need-based bio-input resource centres to be established, assisting the implementation.




In collaboration with state governments, the central government will oversee the rollout of Digital Public Infrastructure (DPI) in agriculture, aiming to cover farmers and their lands within three years.

The Union government thoroughly reviewed the agricultural research infrastructure to boost productivity. Under this effort, Prime Minister Shri Narendra Modi recently launched 109 new high-yielding and climate-resilient varieties of 32 field and horticulture crops for farmers. Additionally, the Union government has allocated Rs 1.52 lakh crore for the agriculture and allied sectors in 2024-25

In the next two years, one crore farmers will be introduced to natural farming with support for certification and branding. Additionally, 10,000 bio-input resource centres will be established to enhance infrastructure. To achieve self-sufficiency in pulses and oilseeds, the government will also bolster production, storage, and marketing efforts, focusing on oilseeds like mustard, groundnut, sesame, soybean, and sunflower.

## AMI Scheme: Boosting Agricultural Infrastructure

# Agricultural Marketing Infrastructure (AMI) scheme



 <p><b>Till June 30, 2024,</b></p> <p><b>48,512 storage infrastructure projects</b> have been sanctioned <b>across 27 states</b></p>	 <p>A combined capacity of <b>9.4 million tonnes</b> has been approved under AMI scheme</p>	 <p>A subsidy of <b>Rs. 4,734.73 Crore</b> has been disbursed for these projects</p>
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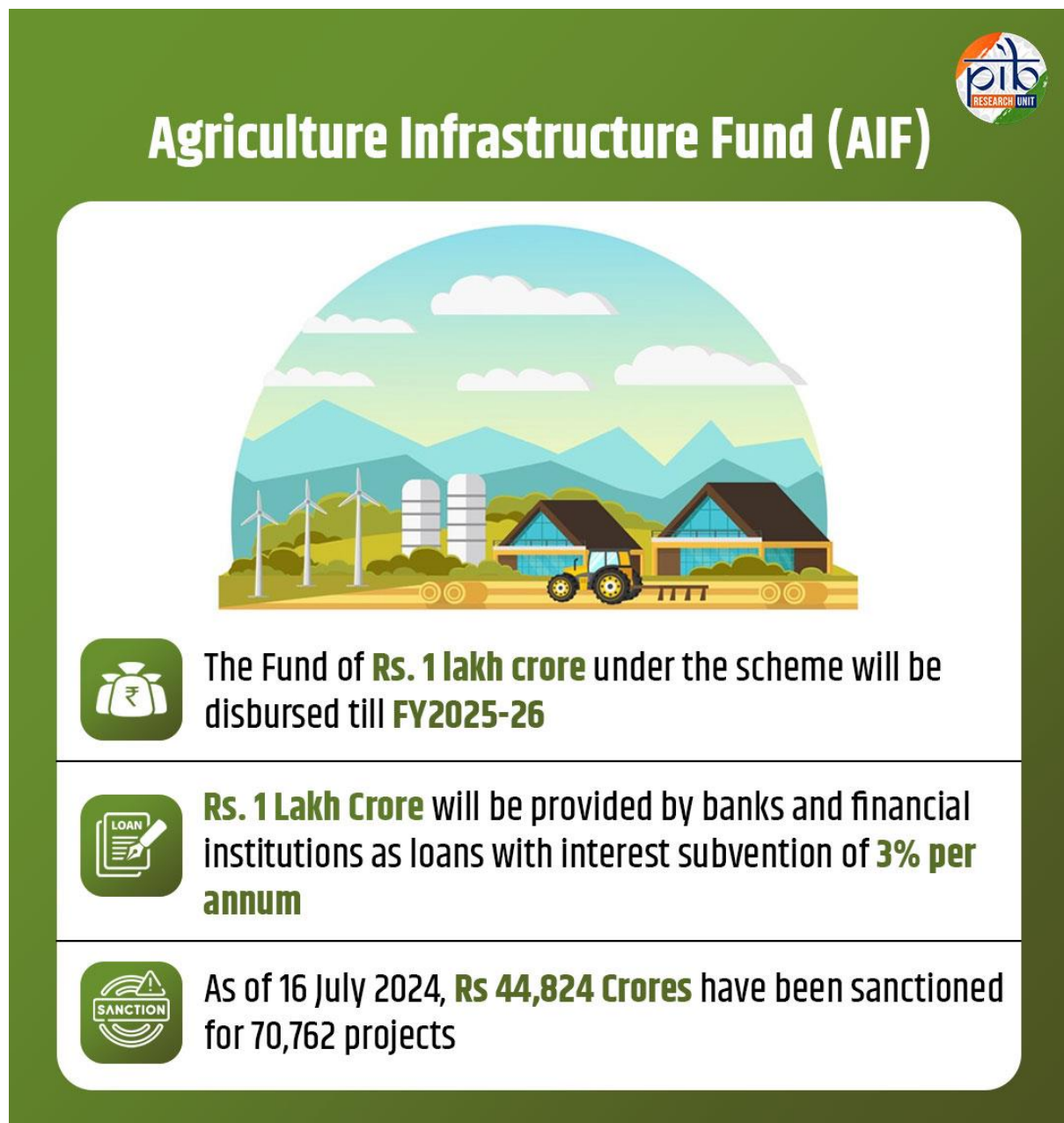
To improve storage facilities, the government is implementing the Agricultural Marketing Infrastructure (AMI) scheme, a component of the Integrated Scheme for Agricultural Marketing (ISAM).

This scheme provides assistance for the construction or renovation of godowns and warehouses in rural areas to boost agricultural storage capacity. Under the AMI scheme, subsidies of 25% and 33.33% are offered on the capital costs of projects, depending on the beneficiary category.

Since the scheme's inception on April 1, 2001, through June 30, 2024, a total of 48,512 storage infrastructure projects, with a combined capacity of 940 lakh tonnes, have been sanctioned across 27 states. A subsidy of Rs. 4,734.73 crore has been disbursed for these projects.



### Agriculture Infrastructure Fund (AIF)




Launched in 2020, the Agriculture Infrastructure Fund (AIF) scheme aims to enhance post-harvest management infrastructure, minimise losses, increase farmers' income, and bring innovation to agriculture. The scheme aims to attract investments for agricultural infrastructure development, with a total allocation of Rs 1 lakh crore to be distributed through banks and financial institutions until 2025-26.



The infographic features a green background with a white rounded rectangle in the center. At the top right is the PIB Research Unit logo. The title 'Agriculture Infrastructure Fund (AIF)' is written in white on a green banner. Below the title is an illustration of a rural landscape with wind turbines, silos, a tractor, and a house. Three key points are listed in white boxes with green icons: a money bag for the fund amount, a loan document for the loan details, and a sanction icon for the current status.

## Agriculture Infrastructure Fund (AIF)



-  The Fund of **Rs. 1 lakh crore** under the scheme will be disbursed till **FY2025-26**
-  **Rs. 1 Lakh Crore** will be provided by banks and financial institutions as loans with interest subvention of **3% per annum**
-  As of 16 July 2024, **Rs 44,824 Crores** have been sanctioned for 70,762 projects

Under the scheme, beneficiaries receive a 3% interest subvention on loans up to Rs 2 crore, with a maximum repayment period of 7 years. Additionally, the scheme covers the reimbursement of credit guarantee fees paid by banks.

Eligible beneficiaries include farmers, agri-entrepreneurs, start-ups, Primary Agricultural Credit Societies (PACS), marketing cooperative societies, Farmer Producer Organizations (FPOs), Self-Help Groups (SHGs), Joint Liability Groups (JLGs), multipurpose cooperative societies, public-private partnership projects sponsored by central or state agencies or local bodies, state agencies, Agricultural Produce Market Committees (mandis), and federations of cooperatives, FPOs, and SHGs.

Each eligible entity can benefit from the scheme for up to 25 projects, provided these projects are located in different Local Government Directory (LGD) codes. As of 16 July 2024, a total of Rs. 44,824 crore has been sanctioned for 70,762 projects under the scheme.

### Bolstering Cold Storage Infrastructure

The Ministry of Food Processing Industries (MoFPI) administers the Scheme for Integrated Cold Chain, Food Processing, and Preservation Infrastructure as part of the Pradhan Mantri Kisan Sampada Yojana (PMKSY). This scheme is designed to reduce post-harvest losses of horticultural and non-horticultural produce while ensuring that farmers receive better prices for their products.

The various components of Cold Chain projects include Minimal Processing Centres, Mobile Pre-Cooling Vans and Reefer Trucks, Distribution Hubs, and Irradiation Facilities.



As of August 2024, there are 8,698 cold storages in the country with a capacity of 395.96 lakh MT. Further, 1793 cold storage with a capacity of 71.54 lakh MT have been established during the last ten years in the country.

Under the PMKSY scheme, financial assistance is provided through grant-in-aid. The grant rates for storage and transport infrastructure are 35% for general areas and 50% for North

Eastern and Himalayan States, Integrated Tribal Development Programme (ITDP) areas, and islands.

The grants for value addition and processing infrastructure are 50% for general areas and 75% for the regions as mentioned earlier, with a maximum grant of Rs 10 crore per project. This funding supports establishing integrated cold chain projects, including irradiation facilities. However, standalone cold storage is not eligible for funding under this scheme.

As of August 2024, there are 8,698 cold storage units in the country, with a capacity of 395.96 lakh MT. Further, 1793 cold storage with a capacity of 71.54 lakh MT has been established in the last ten years.

## Other Reforms to Boost Agri Infra

**Agricultural Mechanization:** Agricultural mechanisation is extremely vital to modernise agriculture and reduce the drudgery of farming operations. From 2014-15 to March 2024, Rs. 7265.00 crore have been allocated for agricultural mechanisation. 18,16,221 machines and types of equipment have been provided to farmers on subsidy. 25,527 custom hiring centres, 594 high-tech hubs and 23,538 farm machinery banks have been established to make available agricultural machines and equipment to the farmers on a rental basis. During 2024-25, Rs.69.99 Crore have been released to States.

Improvement in farm produce logistics, Introduction of Kisan Rail: Kisan Rail has been launched by Ministry of Railways to exclusively cater to movement of perishable agri-horti commodities. The first Kisan Rail was started in July 2020. Till 28th February 2023, 2359 services on 167 routes have been operated.

**Pradhan Mantri Matsya Sampada Yojana:** Launched in 2020 with an investment of Rs 20,050 crore over five years, the Pradhan Mantri Matsya Sampada Yojana addresses key challenges in fish production, productivity, quality, technology, and post-harvest infrastructure. It focuses particularly on establishing a seamless cold chain. The scheme also aims to modernise and strengthen the value chain, reduce post-harvest losses, and improve traceability.

The primary objectives are to increase fish production to 22 million metric tons, boost exports to Rs1 lakh crore, and create approximately 5.5 million direct and indirect jobs by 2024-25.

**Micro Irrigation Fund (MIF):** A Micro Irrigation Fund (MIF) with an initial corpus of ₹5,000 crore has been established with NABARD to support states in expanding micro-irrigation coverage. Under this arrangement, NABARD offers loans to states and union territories at a 3% lower interest rate than the cost of funds it raises from the market. To date, loans totalling Rs 4,724.74 crore have been approved, with Rs 3,387.80 crore disbursed to states.

**Creation of a Startup Ecosystem in Agriculture and Allied Sectors:** Between FY 2019-20 and 2023-24, 1,708 startups in agriculture and allied sectors have been selected by various Knowledge Partners (KPs) and Agribusiness Incubators (R-ABIs). The Department of Agriculture & Farmers' Welfare has released Rs 122.50 crore in grants-in-aid to KPs and R-ABIs to support these startups under the RKVY Agri-Startup Programme.

## Conclusion

To address the critical infrastructure gaps and stimulate investment in agricultural development, the Indian government has launched several transformative initiatives, including the Agriculture Infrastructure Fund (AIF) and the Agricultural Marketing Infrastructure (AMI) scheme. These landmark schemes are strategically designed to enhance the efficiency and effectiveness of agricultural infrastructure across the country.

These programs are set to revolutionise India's agricultural sector by investing in modernising post-harvest management, expanding cold chain facilities, and improving market access. They aim to boost production, reduce post-harvest losses, ensure better returns for farmers and create sustainable growth in the agricultural value chain. With a robust framework in place, India's agriculture sector is destined to reach new heights.

### **References**

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