



**Research Unit**  
Press Information Bureau  
Government of India

## *Agricultural Infrastructure Fund (AIF) Scheme*

### *Enhancing & Strengthening Agri Infrastructure*

(Ministry of Agriculture & Farmers' Welfare)

August 28, 2024

#### Introduction.

Marking a crucial milestone in India's mission to transform its agricultural sector, the Union Cabinet, chaired by Prime Minister Narendra Modi on August 28, 2024, approved a significant expansion of the *Agricultural Infrastructure Fund (AIF)* scheme. This decision introduces a series of measures designed to make the AIF more attractive, impactful, and inclusive, reflecting the government's commitment to enhancing agricultural productivity and infrastructure.

#### Expanding Agricultural Infrastructure Fund scheme

AIF scheme's expansion aims to strengthen agricultural infrastructure nationwide and provide robust support to the farming community by broadening the scope of eligible projects, introducing additional supportive measures, and fostering a more comprehensive agrarian infrastructure ecosystem.

# Agri Infrastructure Fund

## Enhancing & Strengthening the Agri Infrastructure

- Providing Investments for Viable Farming Assets
- Including Integrated Primary Secondary Processing Projects
- Convergence of Component-A of PM-KUSUM with AIF
- Expansion of Credit Guarantee Coverage of FPOs through NABSanrakshan

## 1. Viable Farming Assets

The scheme now includes the creation of infrastructure for 'viable projects for building community farming assets'. This expansion allows all eligible beneficiaries to develop projects that enhance community farming capabilities, potentially improving productivity and sustainability in the agricultural sector.

## 2. Integrated Processing Projects

The list of eligible activities under AIF now includes integrated primary and secondary processing projects. However, standalone secondary projects remain ineligible and will continue to be covered under Ministry of Food Processing Industries (MoFPI) schemes.

## 3. PM KUSUM Component-A Integration

The government has allowed convergence between Component-A of the PM-KUSUM scheme and AIF. This integration is available for farmers, farmer groups, Farmer Producer Organizations (FPOs), cooperatives, and Panchayats. The aim is to promote sustainable clean energy solutions alongside agricultural infrastructure development.

## 4. Enhanced Credit Guarantee Coverage

In addition to the existing Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), the government proposes to extend AIF credit guarantee coverage for FPOs through the NABSanrakshan Trustee Company Pvt. Ltd.

This expansion of credit guarantee options is designed to improve the financial security and creditworthiness of FPOs, encouraging increased investments in agricultural infrastructure projects.

## Impact of AIF scheme

Launched by Prime Minister Narendra Modi in 2020, the Agricultural Infrastructure Fund (AIF) has played a pivotal role in transforming India's agricultural landscape. Let's look at its significant achievements and the potential impact of its recent expansion:

### 1. Infrastructure Development

- 6,623 Warehouses
- 688 Cold stores
- 21 Silo projects

### 2. Storage Capacity

- Total Additional Capacity Generated: 500 Lakh Metric Tonnes (LMT)
- Dry Storage: 465 LMT
- Cold Storage: 35 LMT

### 3. Crop Preservation

Annual savings potential:

- Food Grains: 18.6 LMT
- Horticulture Produce: 3.44 LMT



## Agriculture Infrastructure Fund (AIF)



As of August 28, 2024, **Rs. 47,575 Crore** has been sanctioned for **74,508 projects** under AIF scheme



The Fund of **Rs. 1 lakh Crore** under the scheme will be disbursed till **FY2025-26**



Generated over **8.19 Lakh** rural employment opportunities in the agriculture sector

As of August 28, 2024, Rs. 47,575 Crore has been sanctioned for 74,508 projects under AIF scheme. These sanctioned projects have mobilized an investment of Rs 78,596 Crore in agriculture sector, out of which Rs.78,433 Crore has been mobilised from private entities. In addition, infrastructure projects sanctioned under AIF have helped in generating more than 8.19 Lakh rural employment opportunities in the agriculture sector.

The scheme aims to attract investments for the development of agricultural infrastructure, with a total allocation of Rs 1 lakh crore to be distributed through banks and financial institutions until 2025-26. The 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.

Key Government Initiatives: Boosting Agri Infrastructure

**Agricultural Marketing Infrastructure:** The union government is implementing the Agricultural Marketing Infrastructure (AMI) scheme, a component of the Integrated Scheme for Agricultural Marketing (ISAM). The scheme provides assistance for the construction or renovation of godowns and warehouses in rural areas to boost agricultural storage capacity. As of 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.

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

**Mission Organic Value Chain Development for North Eastern Region:** MOVCDNER scheme aims to establish certified organic production clusters across the North Eastern Region of India, focusing on creating a comprehensive value chain from inputs to consumer markets and boosting exports. With an initial outlay of Rs 400 crore approved for 2015-16, the scheme has released Rs 1,150.09 crore as of June 30, 2024, leading to the formation of 379 Farmer Producer Organizations (FPOs) and Companies (FPCs) involving 189,039 farmers across 172,966 hectares.

**Pradhan Mantri Matsya Sampada Yojana:** Launched in 2020, with a budget of Rs 20,050 crore over five years, seeks to address challenges in fish production and post-harvest infrastructure, aiming to increase production to 22 million metric tons, boost exports to ₹1 lakh crore, and create 5.5 million jobs by 2024-25.

**Micro Irrigation Fund (MIF):** With an initial corpus of Rs 5,000 crore, the fund supports expanding micro-irrigation coverage by offering low-interest loans through NABARD, with Rs 4,724.74 crore approved and Rs 3,387.80 crore disbursed. Additionally, the initiative to create a startup ecosystem in agriculture and allied sectors has led to the selection of 1,708 startups between FY 2019-20 and 2023-24, supported by Rs 122.50 crore in grants under the RKVY Agri-Startup Programme.

## Conclusion

The government of India has launched the transformative initiative Agriculture Infrastructure Fund (AIF) to address critical infrastructure gaps and stimulate investment in agricultural development. This program along with other key schemes will focus on boosting production, and ensuring better returns for farmers. By implementing this robust framework, India's agriculture sector is positioned for significant advancement, and is poised to reach new heights.

## References

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