



Central Sector Scheme

Agriculture Infrastructure Fund

Challenges faced by stakeholders

- Lack of Post Harvest Management and direct marketing infrastructure to allow farmers to have access to remunerative markets.
- Shortage of infrastructure leading to higher post-harvest losses and a higher number of intermediaries.
- Shortage of modern packaging and grading facilities resulting in low realization of crop value.
- Holding capacity of farmers is low resulting in low bargaining capacity.
- Inadequate private investment in rural areas results in low employment opportunities leading to large scale migration.
- There is skewed credit system for farming sector with focus on short term credit while viable investment in long term assets is missing.

Objective of the fund - Benefits across stakeholders



Farmers (including FPOs, PACS, etc.)

- Improved **marketing infrastructure** to allow farmers to sell directly to consumers
- Able to sell in the market with **reduced post-harvest losses** and intermediaries
- **Community farming assets** for improved productivity and optimization of inputs



Agri entrepreneurs and startups

- With a dedicated **source of funding**, entrepreneurs will push for innovation in agriculture sector
- Connect the players in ecosystem and hence, improve **avenues for collaboration**



Government

- Direct priority sector **lending in the currently unviable projects** by supporting through interest subvention, incentive and credit guarantee
- Reduce national food wastage percentage and become globally competitive



Banking ecosystem

- With Credit Guarantee, incentive and interest subvention lending institutions will be able to **lend with a lower risk**
- **Refinance facility** will enable larger role for cooperative banks and RRBs



Consumers

- With reduced inefficiencies in post-harvest ecosystem, key benefit for consumers will be a larger share of produce reaching the market and hence, **better quality and prices**

Central Sector scheme -Agriculture Infrastructure Fund



- Duration – 2020-21 to 2029-30: disbursement in 4 years, starting with Rs10,000 cr in first year, thereafter Rs. 30,000 cr in subsequent 3 years.
- Moratorium – 6 months to 2 years
- Stakeholders – Farmers / Government/ Agri entrepreneurs & start ups/ Banking eco-system/ consumers



Central Sector scheme -Agriculture Infrastructure Fund



➤ Purpose of fund

➤ For setting up & modernization key elements of value chain financing

✓ Post harvest management projects – supply/cold chain, warehouse, silos, pack house, assaying units, sorting/ grading units, logistic facilities, primary processing centres, ripening chambers

✓ Viable projects for building community farming asset – organic input prodn, bio-stimulant prodn units, infrastructure for smart & precision farming, supply chain infrastructure for cluster of crops including export cluster, projects promoted by Central/State/ Local bodies (PPP)- building community farming assets / post harvest mgt projects



Central Sector scheme -Agriculture Infrastructure Fund ...cont'd



- Institutions – Commercial banks/ Cooperative Banks/ RRBs/ SFBs/ NBFCs/ NCDC
- MoU with NABARD & DAC&FW
- Refinance available
- Interest Subvention for a maximum period of 7 years, @ 3% p.a up to a limit of Rs.2 crore
- Credit guarantee coverage – CGTMSE for loan upto Rs. 2 crore



Financial outlay and key features



Size of the fund - Rs. 1 lac Crore, disbursement over 4 years



Credit Guarantee - Under CGTMSE scheme for loan up to Rs. 2 Crore



Beneficiaries - farmers, FPOs, PACS and Agri tech entrepreneurs and startups



Duration - 7 years (6 months to 2 years of moratorium)



Participating institutions - All scheduled commercial banks, Cooperative banks, RRBs, Small Finance banks, NBFCs, NCDC



Loan ratio - min. of 10% of the project cost to be mandatory as promoter's contribution



Interest subvention - 3% p. a. up to loan amount of Rs. 2 Cr.



Refinance - Need based support via NABARD to all eligible lending entities as per policy

Implementation of Scheme - National, State and District level Monitoring Committees

National level Monitoring Committee (NLMC)

- Secretary (DAC&FW) (Chairman)
- MD SFAC
- MD NCDC
- Special Secretary/Additional Secretary and FA (DAC&FW)
- Additional Secretary DFS
- Additional Secretary (DAC&FW,GoI)
- Chairman, NABARD or his representative
- Principal Secretary - State Government - Four States by rotation
- State Nodal Officers of four States (by rotation)
- Joint Secretary (DAC&FW) and CEO of Farmers Welfare Programme Implementation Society- Member Secretary

State level Monitoring Committee

- Chief Secretary -Chairman
- Agriculture Production Commissioner/Principal Secretary Agriculture
- Principal Secretary (Cooperation)
- Registrar of Cooperative Societies (RCS)
- Chief General Manager (CGM), NABARD
- Regional Director, NCDC
- Officers nominated by State (not more than three).
- SLBC Convenor.
- State Nodal Officer- Member Secretary

District level Monitoring Committee

- District Collector - Chairman
- Chief Executive Officer of District Panchayat / CDO- Vice Chairman
- District Officer of Agriculture
- District Registrar Cooperative Societies
- Officers nominated by State (not more than three)
- Lead District Manager of DLBC
- District Manager NABARD- Member Secretary

Five key roles of District PMU members

For today's discussion



On-ground need assessment - including value chain analysis, market research and identifying gaps



Design campaigns (community meets, etc.) - to introduce and create scheme awareness to drive participation



Support applicants with DPR creation and recommend projects to National PMU based on preliminary appraisal



Support applicants in submitting lending institution requirements and on-going visibility on status



On-going handholding in implementation and project monitoring for end use & impact for farmer groups

Approach for need assessment for investment in infrastructure



Value chain analysis -
identify requirements

- Mapping OD supply chain
- Identifying required infrastructure and existing setup



Conduct market research
- engage FPOs, PACS

- Discussion forum with farmer groups in the cluster to understand key challenges w.r.t infra
- Identifying underlying issues limiting investment



Identify gaps across
value chain infra

- Detail long list of challenges with existing infra / potential to farmer welfare with new infra
- Identify potential applicants



Prioritize projects with
high impact, need for VGF

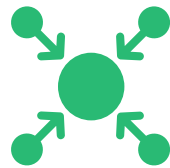
- Prioritize projects based on farmer coverage, existing viability gap
- Initiate discussions for creating project report

Initial list of projects which can potentially be funded



Post harvest management

- Supply chain services including e-marketing platforms
- Warehouses, silos, cold chains
- Pack houses
- Assaying units
- Sorting & grading units
- Logistics facilities
- Primary processing centers
- Ripening Chambers



Community farming asset building

- Soil testing labs
- Infrastructure for smart and precision agriculture
- Micro irrigation
- Organic manure production

Framework for preliminary evaluation of new projects



Number of farmers to be benefitted under the project to ensure high reach of the selected projects



Investment size to access feasibility and cost for the Fund



IRR thresholds for investment to ensure projects with lower - moderate IRR which typically will not attract investment from private players are provided benefits

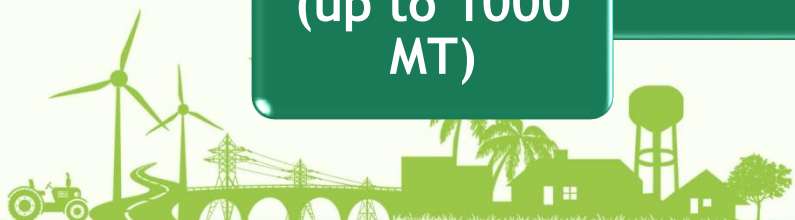
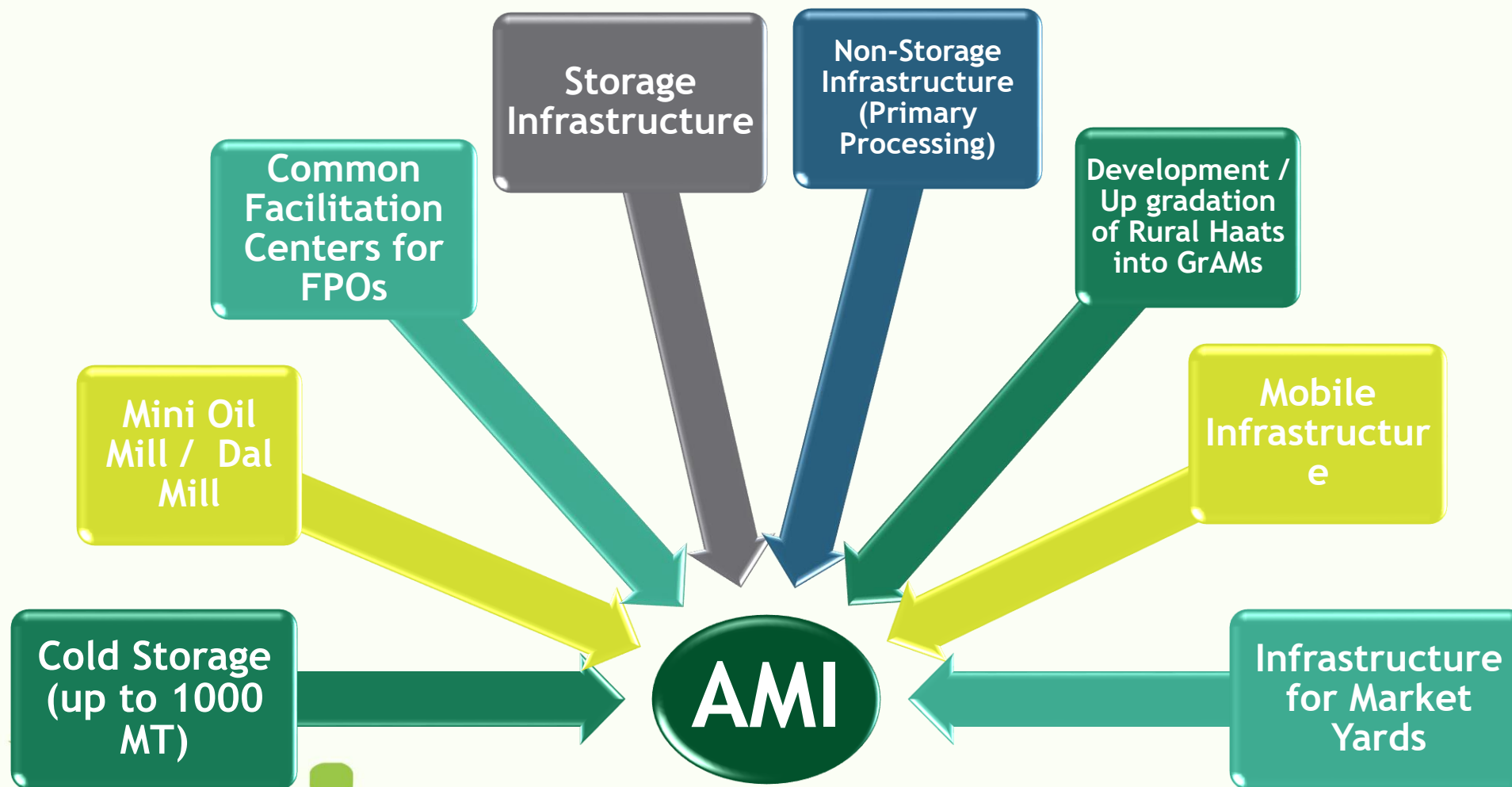


Project investment payback period to safeguard funds

A large, detailed green leaf graphic is positioned on the left side of the slide. Inside the leaf, there are white silhouettes representing various rural infrastructure and agricultural elements: a tractor, two wind turbines, a sun, a bridge, several houses, and a water tower. The leaf is set against a light green background with smaller, faint leaf silhouettes scattered around it.

Agriculture Marketing Infrastructure Scheme

Guidelines



ELIGIBLE BENEFICIARY



Storage (50-5000 MT)

Non-Storage Infrastructure



- Individuals
- Group of farmers
- FPOs/FPCs
- Partnership
- Proprietary firms
- Companies,
- Corporations;
- NGOs, SHGs ;
- Coops,
- Coop Marketing Fed
- Panchayats;
- Govt. Depts.
- APMC, SWC, SCSC.

Storage Infrastructure

(50-10000 MT)



- State agencies
- Government Departments
- State autonomous org.
- APMC, Marketing Boards,
- State Warehousing Corporations
- State Civil Supplies Corporations

Develop and upgrade

Farmers' Consumer Markets



- State Govt. agencies managing village haat
- Haats owned/managed by Panchayats
- APMCs/RMCs, FPOs/FPCs
- State Agencies, Farmers, Individual, Trustee etc.



गाँव बढ़े >> तो देश बढ़े



Components of NLM

- Poultry Venture Capital Fund (PVCF)
- Integrated Development of Small Ruminants and Rabbits (IDSRR)
- Pig Development (Pig DEV.)
- Salvaging of Male Buffalo Calves (SMBC)

NLM - FEATURES

All GoI subsidy schemes are credit linked, hence bank loan is compulsory

subsidy is back ended

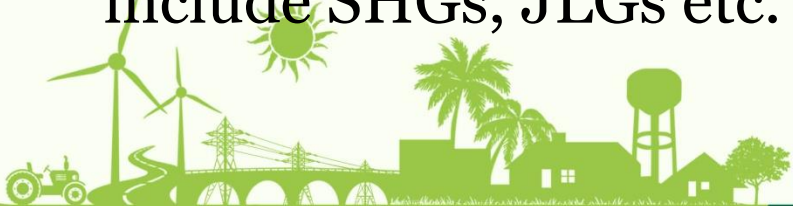
subsidy delivered through NABARD directly through online portal from this year.

Eligible Borrowers include Farmers, individual entrepreneurs, NGOs, companies, cooperatives, groups of unorganised and organized sector which include SHGs, JLGs etc.



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NLM - FEATURES -Contd...

- Margin prescribed - 10%
- Back ended capital subsidy
 - for APL Category - 25%
 - for BPL/SC/ST - (33.33 %)
- Minimum Bank Loan prescribed
 - for APL - 65%
 - for BPL/SC/ST - 56.67%



NLM- Eligible Institutions

- Commercial Banks
- RRBs
- StCBs
- SCARDBs
- PUCBs
- All other institutions eligible for refinance from NABARD



NLM- Pattern of Assistance



Back ended capital subsidy @25% of the project cost for general category and 33.33% for SC/ST category

S.No.	Component	Present	
		Indicative Unit Cost	Subsidy Ceiling
1	Hybrid Broiler (chicken) Units - upto 20000 birds. Minimum unit size - 1000	2,24,000 /- for 1000 birds	56,000 /- for 1000 birds (Gen)
2	Hybrid Layer (chicken) Units - upto 20000 birds. Minimum unit size - 2000	8,00,000 /- for 2000 birds	2,00,000 /- for 2000 birds (Gen)
3	Transport Vehicles -open cage	8,00,000 /-	2,00,000 /- (Gen)

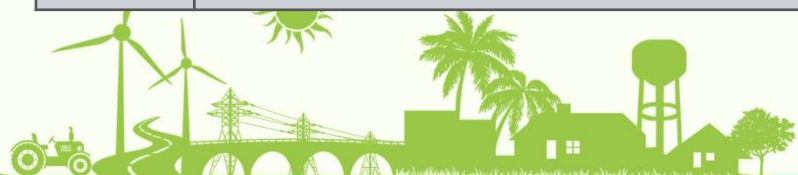


NLM- Pattern of Assistance



Back ended capital subsidy @25% of the project cost for general category and 33.33% for SC/ST category

S.No	Component	Present	
		Indicative Unit Cost	Subsidy Ceiling
4	Commercial Units of 10 ewe / does+ 1 ram /buck (Maximum 4 units)	50,000 /-	12,500 /- (Gen)
5	Breeding farm of of 100 ewe / does+ 5 ram /buck	10,00,000 /-	2,50,000 /- (Gen)
6	Commercial rearing units (3 sows +1 Boar) (Maximum 4 units)	1,00,000/-	25,000 /- (Gen)
7	Pig Breeding Unit (20+4)	8,00,000/-	2,00,000/- (Gen)



NLM- Pattern of Assistance



Back ended capital subsidy @25% of the project cost for general category and 33.33% for SC/ST category

S.No	Component	Present	
		Indicative Unit Cost	Subsidy Ceiling
8	Rearing of Male Bufflo calf - up to 25	25,000 /- per calf	6,250 /- (Gen) per calf
9	Commercial units of calf rearing - 25 to 200	24,000 /- per calf	6,000 /- (Gen) per calf



THANK YOU