

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE
RAJYA SABHA
UNSTARRED QUESTION No. 2436
TO BE ANSWERED ON THE 21/03/2025

Steps to bridge Agriculture infrastructure gap

2436. SHRI RAJEEV SHUKLA:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether Government has taken any steps to bridge the agriculture infrastructure gap by empowering agriculture and villages and boosting private investment;
- (b) if so, the details thereof and if not, the reasons therefor; and
- (c) the efforts made/being made by Government to upgrade the agriculture sector?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

(SHRI RAMNATH THAKUR)

(a) to (c): Yes Sir. In order to bridge the Agriculture Infrastructure gap by empowering agriculture and villages and boosting private investment, the Government of India launched a Central Sector Scheme of financing facility under 'Agriculture Infrastructure Fund'. The Agriculture Infrastructure Fund (AIF) is a medium-long term debt financing facility through interest subvention and credit guarantee support on loans for investment in viable projects for post-harvest management infrastructure and community farming assets.

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 for loans up to Rs. 2 Crores to the eligible beneficiaries include farmers, FPOs, PACS, Marketing Cooperative Societies, SHGs, Joint Liability Groups (JLG), Multipurpose Cooperative Societies, Agri-entrepreneurs, Start-ups, and Central/State agency or Local Body sponsored Public-Private Partnership Projects for creation of post-harvest management infrastructures like Supply chain services including e-marketing platforms, Warehouses, Silos, Pack houses, Assaying units, Sorting & grading units, Cold chains, Logistics facilities, Primary processing centres, Ripening Chambers etc.

Community farming assets eligible under Agri Infra Fund includes: Organic inputs production, Bio stimulant production units, Infrastructure for smart and precision agriculture, Projects identified for providing supply chain infrastructure for clusters of crops including export clusters, Projects promoted by Central/State/Local Governments or their agencies under PPP for building community farming assets or post-harvest management projects.

In a major step to boost agricultural infrastructure and support farmers, the Government approved key expansions to the AIF scheme on 28.08.2024. These measures broaden the scope of eligible projects and introduce supportive initiatives to enhance impact and inclusivity, which are as under:-

Viable Farming Assets: Earlier, technology-driven projects like hydroponics, vertical farming, aeroponics, poly-houses, and mushroom cultivation were restricted to farmer collectives. Now, individual farmers and entrepreneurs can also access these opportunities, promoting community farming and sustainability.

Integrated Processing Projects: AIF now includes integrated primary-secondary processing, ensuring better price realization for farmers and a holistic post-harvest value chain. Standalone secondary processing, however, remains under MoFPI schemes.

PM-KUSUM Component-A Integration: Farmers, FPOs, and cooperatives can now develop solar power plants (up to 2 MW) on barren lands under AIF, transitioning them from food providers to energy producers, fostering clean energy solutions.

NABSanrakshan: A dedicated credit guarantee mechanism enhances financial security, complementing CGTMSE and encouraging more lending under AIF.

These progressive measures strengthen agricultural infrastructure, improve farmer earnings, and drive sustainable growth.

Since the inception of the scheme in August, 2020 till 28.02.2025, loan amounting to Rs. 59943 Crores have been sanctioned for 98744 projects. These sanctioned projects have mobilized an investment of Rs. 96680 crores in agriculture sector. Major projects sanctioned under AIF include 25671 custom hiring centres, 20216 primary processing units, 15125 warehouses, 3534 sorting & grading units, 2265 cold store projects, around 31933 other kinds of post-harvest management projects and viable farming assets.

Government is spreading awareness about AIF Schemes by way of sensitising Bankers and other stakeholders through conducting various events, seminars, workshops at various levels to accelerate agriculture infrastructure financing throughout the nook and corner of the country.

Apart from AIF, the Government has also implemented the following schemes for bringing improvements in the Infrastructure Facilities in the Agriculture:

(i) **Agricultural Marketing Infrastructure (AMI)**, a sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM) under which assistance is provided for construction/renovation of godowns/ warehouses in the rural areas in the States to enhance the storage capacity for agriculture produce. AMI is demand driven scheme in which subsidy is provided at the rate of 25% and 33.33% on capital cost of the project based on the category of eligible beneficiary. Assistance under this scheme is available to Individuals, Farmers, Group of farmers/growers, Agri-preneurs, Registered Farmer Produce Organizations (FPOs), Cooperatives, and state agencies etc. The scheme is demand driven and is extended/continued up-to 31.03.2026.

Since 01.04.2001 and up to 28.02.2025, a total of 48976 storage infrastructure projects (Godowns), with storage capacity of 955.25 Lakh MT for beneficiaries including farmers have been assisted under AMI sub-scheme in the country.

(ii) **National Agriculture Market (e-NAM) scheme**, a virtual platform integrating physical wholesale mandis/ markets of different States/ Union Territories (UTs) to facilitate online trading of agriculture and horticulture commodities to enable farmers to realize better remunerative prices for their produce.

As on 28.02.2025, 1466 mandis of 23 States and 04 Union Territories (UTs) have been integrated with e-NAM platform. More than 1.79 crore farmers & 2.64 Lakh traders have been registered on e-NAM platform. Total volume of 11.31 cr. MT and 44.95 Cr. numbers (Bamboo, Betel leaves, Coconut, Lemon and Sweet Corn) collectively worth approximately Rs. 4.12 Lakh Crore of trade has been recorded on e-NAM platform.

(iii) **Mission for Integrated Development of Horticulture (MIDH)** under which financial assistance for setting up of Post-Harvest Management Infrastructure including cold storage, cold room facilities for horticultural produce @ 35% of the project cost in general areas and 50% in case of hilly and scheduled areas per beneficiary is available. The component is demand/ entrepreneur driven through commercial ventures for which Government assistance is credit linked and back ended.

(iv) **Rashtriya Krishi Vikas Yojana (RKVY)**, a Centrally Sponsored Scheme under which the funds are released to the State Governments as Grants-in-Aid on the basis of projects in Agriculture & allied sectors approved in the State Level Sanctioning Committee Meeting (SLSC) headed by the Chief Secretary of the concerned State, which is the empowered body to approve projects under the scheme. In this scheme States has flexibility and autonomy in the process of selection, planning, approval and execution projects in agriculture and allied sectors as per their priorities. RKVY is primarily a project oriented scheme, the benefit of which is available to all sections of the farming community.
