GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

RAJYA SABHA
UNSTARRED QUESTION No. 2114
TO BE ANSWERED ON THE 13/12/2024

ALLOCATION AND UTILIZATION OF FUNDS UNDER AIF

2114. SHRI MOHAMMED NADIMUL HAQUE:

Will the MINISTER OF AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a)   whether Government proposes to increase the maximum ticket size of loans under the Agriculture Infrastructure Fund(AIF) from ₹ 2 crore to ₹ 5-10 crore to support medium and major agri-infrastructure projects like cold storage chains and renewable energy projects, if so, the details thereof;

(b)   the status of geo-tagging of sanctioned projects under AIF to ensure transparency and accountability, and the timeline for geo-tagging the remaining projects; and

(c)   whether Government has identified measures to utilise the remaining 48,549 crore earmarked under the scheme by March 2026, and the timeline for addressing these issues?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

(SHRI RAM NATH THAKUR)

(a):   No Sir. There is no provision to increase the maximum ticket size loan under AIF from ₹ 2 crore to ₹ 5-10 crore as this scheme is meant for creating farm gate infrastructure projects through farmers, FPOs, PACS etc. All loans under this financing facility have interest subvention of 3% per annum up to a limit of ₹ 2 crore. This subvention is available for a maximum period of 7 years. In case of loans beyond ₹ 2 crore, interest subvention is limited up to ₹ 2 crore. Credit guarantee coverage is 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 ₹ 2 crore. The fee for this coverage will be paid by the Government.

(b):   As on date, 48,251 projects have been successfully geo-tagged. As geo-tagging is an ongoing process linked to loan disbursements following sanctions at the bank level, lending institutions are being regularly followed up with to ensure prompt action for geo tagging the projects as disbursement and commencement of work for setting up the projects.

(c):   The AIF, launched in 2020 under the Atmanirbhar Bharat Package, aims to strengthen agricultural infrastructure and boost farmers' incomes by targeting loans worth ₹1 lakh crore to be sanctioned by banks and other lending institutions by 2025-26. Currently, sanctioned loans amount to ₹52,097 crore, leaving a gap of ₹47,903 crore. Various measures are being implemented on a continuous basis to bridge this gap.To enhance inclusivity and impact under the AIF Scheme, the progressive extension initiative recently expanded eligibility for assistance. Some activities, previously restricted to farmers' collectives, are now open to individual entities. The AIF scheme has expanded to include integrated primary and secondary processing projects, replacing the earlier focus on primary processing as the sole eligible activity. This expansion enhances project viability and helps farmers achieve better price realization. The integration of PM-KUSUM's Component-A with AIF now facilitates the establishment of solar power plants on barren lands, empowering farmers as both food and energy providers (Annadaata to Urjadaata) while promoting clean energy. Furthermore, NABARD's NABSanrakshan credit guarantee cover for FPOs is now included under AIF, with reimbursement of guarantee fees, boosting financial security and encouraging investments. These measures aim to reduce costs, improve productivity, and drive sustainable agricultural growth in India.

In order to promote the AIF Scheme by creating awareness about the scheme among various stake holders periodical annual Bankers' Conclave, State conclaves, regular workshop / Bankers meets, training programmes at Bank's training facilities, are being conducted. Further, widespread promotion various activities are undertaken like publicity in social media platforms, participation in various national and regional level events, seminars, exhibitions/ trade fairs, food festival etc.

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