

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

LOK SABHA
UNSTARRED QUESTION NO.431
TO BE ANSWERED ON THE 15TH SEPTEMBER, 2020

AGRICULTURE FUND TO INCREASE FARMER INCOME

431. SHRI Y.S. AVINASH REDDY:
SHRI KANUMURU RAGHU RAMA KRISHNA RAJU:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the attention of the Government is drawn to the matter of announcement of setting up of one lakh crore Agriculture Fund with a view to increase the income of farmers and to achieve empowerment;
- (b) if so, the details thereof; and
- (c) the detail of the sops and exemptions being given under this scheme?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b): Hon'ble Finance Minister announced on 15.05.2020 a Rs 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure for farmers. Accordingly, Central Sector Scheme of Financing Facility under Agriculture Infrastructure Fund was approved by Cabinet on 08.07.2020.

The scheme shall provide a medium - long term debt financing facility for investment in viable projects for post-harvest management Infrastructure and community farming assets through interest subvention and financial support. The duration of the Scheme shall be from FY2020 to FY2029 (10 years).

Under the scheme, Rs. 1 Lakh Crore will be provided by banks and financial institutions as loans to Primary Agricultural Credit Societies (PACS), Marketing Cooperative Societies, Farmer Producers Organizations (FPOs), Self Help Group (SHG), Farmers, Joint Liability Groups (JLG), Multipurpose Cooperative Societies, Agri-entrepreneurs, Startups and Central/State agency or Local Body sponsored Public Private Partnership Project.

Contd...2/-

(c) : All loans under this financing facility will have interest subvention of 3% per annum up to a limit of Rs. 2 crore. This subvention will be available for a maximum period of 7 years. Further, credit guarantee coverage will be 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 Rs. 2 crore. The fee for this coverage will be paid by the Government. In case of FPOs the credit guarantee may be availed from the facility created under FPO promotion scheme of Department of Agriculture, Cooperation & Farmers Welfare (DACFW). Moratorium for repayment under this financing facility may vary subject to minimum of 6 months and maximum of 2 years.

So far as progress under the scheme is concerned, the operational guidelines of the scheme have been circulated to all States/UTs on 17th July, 2020. Various meetings to quickly roll out the scheme have been held by DAC&FW with all States/UTs Governments and other stakeholders. Memorandum of Understandings (MoUs) with all twelve public sector banks, IDBI and Yes Bank have been signed by DAC&FW. A portal for the scheme has been created. The scheme has been formally launched by Hon'ble Prime Minister of India on 09.08.2020 wherein only 30 days after Cabinet formally approved the scheme, the first in-principle sanction of Rs. 1128 Crore was made to over 2,280 farmer societies by NABARD. So far NABARD has received 3055 proposals of PACs through state cooperative banks in 22 states for which in-principle sanction of Rs. 1568 Cr. has been accorded.