

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

LOK SABHA
STARRED QUESTION No.248
TO BE ANSWERED ON THE 18TH MARCH, 2025

ACCESS TO AGRICULTURE INFRASTRUCTURE FUND

***248. SHRI MUKESHKUMAR CHANDRAKAANT DALAL:**

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

(a) the details of the steps taken by the Government to ensure equitable access to financial facilities under Agriculture Infrastructure Fund(AIF) for farmers in remote and underserved areas of Gujarat;

(b) the manner in which the Government incentivize private investment in agricultural infrastructure under the AIF;

(c) the details of the unique monitoring mechanisms do the Government uses to assess the impact of AIF-funded projects on agricultural productivity;

(d)the manner in which the Government ensuring the sustainability of agriculture-related infrastructure built under the AIF; and

(e) the details of the steps that the Government taken to simplify the loan application process for eligible beneficiaries under the AIF?

ANSWER

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI SHIVRAJ SINGH CHOUHAN)

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF LOK SABHA STARRED QUESTION NO. 248 FOR REPLY ON 18TH MARCH, 2025 REGARDING ACCESS TO AGRICULTURE INFRASTRUCTURE FUND

(a): In order to enhance the income of farmers, it is not only essential to enhance production and productivity of farm produce but also minimize the post-harvest losses and ensure better realization of prices for farmers through creation of modern post-harvest management infrastructure. With an objective to address the existing gaps in post-harvest management infrastructure and to promote viable farming assets in the country, the flagship scheme of Agriculture Infrastructure Fund (AIF) was launched in 2020-21 to strengthen the infrastructure in the country through creation of farm gate storage and logistics infrastructure to enable farmers to store and preserve their farm produce properly and sell them in the market at better price with reduced post-harvest losses and lesser number of intermediaries.

Under AIF, provision for Rs.1 Lakh crore loan has been made through lending institutions with the a interest rate cap of 9% on loans. The scheme is operational from 2020-21 to 2032-33. All loans under this financing facility have interest subvention of 3% per annum up to a loan limit of ₹2 crores. This interest subvention is available for a maximum period of 7 years. In case of loans beyond ₹2 crores, interest subvention is limited up to ₹2 crores. Credit guarantee coverage is also available for eligible borrowers from this financing facility under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme upto a loan of Rs. 2 Crore. In case of FPOs, the credit guarantee may be availed from the facility created under FPO promotion scheme of DA&FW and NABSanrakshan Trustee Company Pvt. Ltd. However, FPOs are also eligible for reimbursement of credit guarantee fee under AIF. The fee for this coverage is borne by the Government.

The Government has undertaken several initiatives to ensure equitable access to financial facilities under the Agriculture Infrastructure Fund (AIF) for farmers in remote and underserved areas across the country including the State of Gujarat. These measures focus on financial inclusion, digital accessibility, institutional support and targeted outreach to extend AIF benefits to all eligible stakeholders, which are as under:-

(i) Digital and Banking Access for Remote Farmers

The AIF online portal enables seamless application and tracking of loan requests, reducing the need for physical visits to banks.

Banks at the grassroots assist farmers in remote areas with documentation, application submission, and grievance resolution.

(ii) Credit Guarantee and Interest Subvention

Interest subvention of 3% on loans up to ₹2 crore in addition to the capping of interest rate at 9% makes financing more affordable for small and marginal farmers up to 7 years.

Credit guarantee coverage through NABSanrakshan and CGTMSE ensures that farmers with limited collateral can access institutional credit. Such credit guarantee fee is reimbursed by the Department.

(iii) Role of Farmer Producer Organizations (FPOs) and Cooperatives

The Government promotes FPOs, PACS, and Cooperative Societies to facilitate collective investments in agri-infrastructure projects.

These entities provide smallholder farmers access to storage, processing, and value-addition facilities, strengthening their market presence.

(iv) Institutional Support at State and District Levels

State Nodal Officers (SNOs) and District-Level Monitoring Committees (DLMCs) actively promote AIF awareness and streamline the approval process for applicants.

(v) Awareness and Capacity Building for stakeholders

Training programmes, financial literacy workshops, and AIF awareness campaigns in local languages educate farmers on accessing AIF loans through Banks and other organisations. Further, a dedicated AIF helpline and grievance redressal mechanism provide continuous support to applicants.

By integrating digital banking solutions, institutional frameworks, financial incentives, and grassroots outreach programs, the Government is ensuring that farmers in remote and underserved areas can easily access AIF funding and benefit from modern agricultural infrastructure.

(b): The Agriculture Infrastructure Fund (AIF) plays a crucial role in incentivizing private investment in agricultural infrastructure by offering a range of financial and policy incentives that make investment in the sector more attractive and viable.

(i) Interest Subvention and Credit Guarantee: AIF provides a 3% interest subvention on loans up to ₹2 crore for a maximum period of seven years. Additionally, eligible borrowers get reimbursement of the fees for credit guarantee coverage under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and NABSanrakshan, reducing the financial risk for private investors, including agribusinesses, cooperatives, and start ups.

(ii) Flexible Loan Terms and High Credit Flow: With a provision of ₹1 lakh crore in institutional credit, the scheme enables private entities to access affordable medium to long-term loans for setting up post-harvest management and value chain infrastructure such as warehouses, cold storages, sorting and grading units, primary processing centers, and supply chain services and other viable farming assets. The interest rate cap of 9% further enhances the attractiveness of private investment.

(iii) Support for Modern Agri-Tech Projects: AIF encourages private participation in advanced and emerging agri-infrastructure sectors such as smart and precision farming, hydroponics, aeroponics, bio-stimulant production, and renewable energy integration (such as PM-KUSUM solarization). This aligns with the growing demand for sustainable and technology-driven agricultural solutions.

(iv) Public-Private Partnerships (PPP) and Institutional Participation: The scheme allows private investors to collaborate with State Governments, local bodies, Farmer Producer Organizations (FPOs), and cooperatives to develop agricultural infrastructure under PPP models. This approach helps in reducing investment risks and ensuring a steady revenue stream.

(v) State-wise Fund Allocation and Market Linkages: The scheme's targeted fund allocation to States and Union Territories ensures that investment is directed where it is needed most. Additionally, AIF-supported infrastructure enhances market linkages, increasing profitability for private players engaged in agri-business and value chain management.

Through these measures, AIF effectively mobilizes private sector investment, creating a robust ecosystem for modern, scalable, and sustainable agricultural infrastructure.

(c): The Government employs a multi-tiered monitoring mechanism to assess the impact of Agriculture Infrastructure Fund (AIF)-funded projects on agricultural productivity. These mechanisms ensure real-time tracking, transparency, and effective evaluation of project outcomes. The key monitoring strategies include:

(i) AIF Online Management Information System (MIS) Portal

The AIF portal provides real-time tracking of projects, from sanction to implementation. It captures data on project approvals, disbursements, and geo-tagging of infrastructure to assess on-ground impact. The portal integrates with various banks and financial institutions for automated loan tracking.

(ii) Geo-tagging of AIF Projects

Geotagging of AIF projects enables monitoring of physical progress and regional distribution of projects, ensuring proper implementation.

(iii) Third-party Evaluations & Field Surveys

Independent agencies conduct field evaluations to assess project utilization, efficiency, and impact on farm productivity. These surveys help in identifying bottlenecks and suggesting course corrections for better fund utilization. During 2023 Agro-Economic Research Centre (AERC) Pune had undertaken an impact assessment study to analyse the impact of the Scheme in various parameters like employment generation, reduction in post-harvest losses, better farm mechanisation, lesser dependency on middlemen and so on.

(iv) Stakeholder Consultations & Feedback Mechanism

Regular meetings with Banks, and State Governments ensure real-time feedback on project effectiveness. Issues faced in implementation are addressed through policy interventions and fund reallocation strategies.

(v) Integration with Agri-Tech and AI-based Analytics

The Government is leveraging AI and data analytics to analyze the impact of AIF-funded projects on yield improvements, reduction in post-harvest losses, and price

realization for farmers. Smart analytics provide insights into how cold storage, warehouses, and processing units are improving supply chain efficiency.

(vi) District and State-Level Monitoring Committees

State and District-level Nodal Agencies oversee project implementation and ensure alignment with regional agricultural needs. Periodic performance reviews help in revising strategies for better fund utilization.

Through these comprehensive monitoring mechanisms, the Government ensures that AIF-funded projects are effectively contributing to agricultural productivity, post-harvest management, and overall value chain enhancement, thereby benefiting farmers and the agri-business ecosystem.

(d) : The Government ensures the sustainability of agriculture-related infrastructure built under the Agriculture Infrastructure Fund (AIF) through a comprehensive approach that integrates financial, technical, and operational measures.

(i) Affordable Financing and Credit Support: The AIF provides concessional loans with a 3% interest subvention for up to seven years, along with credit guarantee coverage under CGTMSE and NABSanrakshan. Additionally the provision for moratorium of 6 months to 2 years also helps beneficiaries manage their finances effectively and ensures the long-term viability of infrastructure projects.

(ii) Project Viability and Capacity Building: The scheme encourages feasibility assessments before project sanctioning, ensuring that only economically viable and sustainable projects receive funding. Availability of the tailor-made DPR templates in the AIF Portal helps applicants in check the viability of the project.

(iii) Technology Integration: AIF promotes smart and precision agriculture by supporting modern technologies such as IoT-based advisory systems, drones, solar-powered solutions, and automated weather stations. These technologies enhance efficiency, optimize resource use, and reduce the environmental impact of agricultural practices.

(iv) Renewable Energy Adoption: Convergence with PM-KUSUM Component-A encourages the use of solar energy in irrigation systems and agri-processing units, reducing operational costs and promoting clean energy solutions.

By combining financial incentives, technological advancements, and community-based approaches, the Government is ensuring that AIF-funded infrastructure remains sustainable, resilient, and beneficial to farmers and rural communities in the long run.

(e) : The Government has taken several steps to simplify the loan application process under the Agriculture Infrastructure Fund (AIF) to ensure that farmers, agripreneurs, FPOs, and other stakeholders can access financial assistance easily and efficiently. These steps include:

(i) Online AIF Portal for Seamless Application

A dedicated AIF Digital Platform enables beneficiaries to apply for loans online, reducing paperwork and expediting the approval process. The portal provides a step-by-step guided

application process for ease of use by farmers, FPOs, PACS, and agri-entrepreneurs. Related help video readily available in the Portal makes the Portal user-friendly.

(ii) Single-Window Clearance and Integration with Banks

The AIF portal is integrated with almost all the Banks and other financial institutions, allowing real-time processing and direct loan applications. A single-window clearance system has been introduced to streamline approvals and reduce bureaucratic delays.

(iii) Simplified Documentation and Eligibility Verification

The documentation requirements have been rationalized, ensuring that small and marginal farmers, FPOs, and PACS can apply with minimal paperwork. Integration with Aadhar enables quick verification of applicant credentials.

(iv) State and District-Level Assistance

State Nodal Officers (SNOs) and District-Level Monitoring Committees (DLMCs) provide on-ground support and guidance to applicants.

A dedicated helpdesk and grievance redressal mechanism assist beneficiaries in resolving application-related issues.

(v) Credit Guarantee and Risk Mitigation Measures

The Government has simplified collateral requirements by offering credit guarantee support through NABSanrakshan and CGTMSE for loans up to ₹2 crore. This step has particularly benefited small and marginal farmers who may not have high-value assets for loan security.

(vi) Awareness and Capacity Building Programs

Regular awareness campaigns, training sessions, and workshops are conducted to educate both the Bankers and Beneficiaries on the loan application process.

Banks and financial institutions are actively involved in handholding support for applicants to ensure smooth processing.

By leveraging digital platforms, reducing documentation, providing technical assistance, and ensuring easy access to credit, the Government has made the AIF loan application process faster, more transparent, and farmer-friendly.
