

# Agriculture Infrastructure Fund – How to Apply for Loan

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**Agriculture Infrastructure Fund**, which is a part of India's **Aatmanirbhar Bharat Package** has been launched by PM Narendra Modi with a finance facility of Rs. 1 Lakh Crore for the next 4 years. Under the Agriculture Infrastructure Fund, the central government would bear about 3% interest subsidy per annum on the loans provided.

The scheme is aimed at enabling the farmers to get greater value for their produce as they will be able to store and sell at higher prices, reduce wastage, and increase processing and value addition.

## Agriculture Infrastructure Fund Loan

A loan of up to Rs. 2 Crore will be provided under the Agriculture Infrastructure Fund.

**Who can avail the loan?**

The loan will be provided by the banks across the country to all the eligible beneficiaries which includes.

- Farmers
- Primary Agriculture Credit Societies (PACS)
- Marketing Cooperative Societies
- Self Help Groups (SHG's)
- Farmer Producer Organizations (FPO's)
- Join Liability Groups (JLG)
- Multipurpose Cooperative Societies
- Agri – Entrepreneurs
- Agriculture Startups
- PPP Agriculture Projects sponsored by central / state agency or urban local body

Within 30 days of formal approval of the scheme, the central government has already sanctioned over Rs. 1000 Crore to over 2,280 farmer societies across the country.

## **How to Apply for Loan Under Agriculture Infrastructure Fund**

Farmers and the entities listed above will be able to avail the loan of up to Rs. 2 Crore from the nationalized banks, commercial banks or any other financial institutions as empaneled by the government for the scheme.

Following is the list of Banks with which the Ministry of Agriculture and Farmer's Welfare has already Signed MOU's for the finance facility under the Agriculture Infrastructure Fund.

### **List of Banks for Loan**

UCO Bank	Indian Bank
Bank of Maharashtra	Canara Bank
State Bank of India	Union Bank of India
Punjab National Bank	Bank of India
Central Bank of India	Bank of Baroda

## List of Banks for Loan Under Agriculture Infrastructure Fund

List as on 13 August 2020, however, the latest list can be obtained from the official website at <http://agricoop.nic.in/>

Eligible beneficiaries can also apply directly for availing financing facility under this scheme. There is no requirement of prior scrutiny at any level. Such applications may be considered by the banks at their level. Timely MIS for such applications shall be made available by respective banks to DLMC (District Level Monitoring Committee) and SLMC (State Level Monitoring Committee).

### **What Type of Projects are Eligible for Loan**

The scheme will facilitate setting up and modernization of key elements of the value chain including

#### **Post Harvest Management Projects like:**

1. Supply chain services including e-marketing platforms
2. Warehouses
3. Silos
4. Pack houses
5. Assaying units
6. Sorting & grading units
7. Cold chains
8. Logistics facilities
9. Primary processing centers
10. Ripening Chambers

#### **Viable projects for building community farming assets including**

1. Organic inputs production
2. Bio stimulant production units
3. Infrastructure for smart and precision agriculture.
4. Projects identified for providing supply chain infrastructure for clusters of crops including export clusters.

5. Projects promoted by Central/State/Local Governments or their agencies under PPP for building community farming assets or post harvest management projects.

## **Agriculture Infrastructure Fund Loan Benefits**

There are always some benefits of availing loan under any government schemes, and that's why there are loan schemes by the government. Hence, below are some of the main benefits to be provided under the Agriculture Infrastructure Fund loan scheme

1. The maximum loan tenure under the scheme will be 7 years.
2. Interest subvention of 3% per annum on the loan availed under this scheme.
3. Credit guarantee coverage under CGTMSE scheme for loans up to Rs. 2 Crore.
4. 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 DACFW.

The Agriculture Infrastructure Fund Loan Scheme will support farmers, PACS, FPOs, Agri-entrepreneurs, etc. in building community farming assets and post-harvest agriculture infrastructure.

## **Agriculture Infrastructure Fund – State Wise Allocation**

Tentative state / UT wise allocation of Agriculture Infrastructure Fund

<b>State / UT</b>	<b>Allocation in INR Crore</b>
Uttar Pradesh	12831
Rajasthan	9015
Maharashtra	8460
Madhya Pradesh	7440
Gujarat	7282
West Bengal	7260
Andhra Pradesh	6540

Tamilnadu	5990
Punjab	4710
Karnataka	4525
Bihar	3980
Haryana	3900
Telangana	3075
Kerala	2520
Odisha	2500
Assam	2050
Chhattisgarh	1990
Jharkhand	1445
Himachal Pradesh	925
Jammu & Kashmir and Ladakh	900
Uttarakhand	785
Tripura	360
Arunachal Pradesh	290
Nagaland	230
Manipur	200
Mizoram	196
Meghalaya	190
Goa	110

Delhi	102
Sikkim	56
Puducherry	48
A & N Islands	40
Daman & Diu	22
Lakshadweep	11
Dadra & Nagar Haveli	10
Chandigarh	9
<b>Total</b>	1,00,000

State / UT Wise Tentative Allocation of Agriculture Infrastructure Funds

## **Agriculture Infrastructure Fund – Guidelines**

The complete guidelines of Agriculture Infrastructure Fund Scheme can be downloaded in PDF format from the official website of Ministry of Agriculture and Farmer’s Welfare using the below given link.

<http://agricoop.nic.in/sites/default/files/FINAL%20Scheme%20Guidelines%20AIF.pdf>

## **Implementation Period of AIF Scheme**

The Scheme will be operational from 2020-21 to 2029-30. Disbursement in four years starting with sanction of Rs. 10,000 crore in the first year and Rs. 30,000 crore each in next three financial years. Moratorium for repayment under this financing facility may vary subject to minimum of 6 months and maximum of 2 years.

## **Frequently Asked Questions**

### **How to apply for Agriculture Infrastructure Fund loan**

Any eligible farmer or entity can apply for AIF loan through the banks and financial institutions empaneled by the government.

## **What is the loan amount under AIF loan scheme**

Up to Rs. 2 Crore

## **What is the Interest Subsidy on Loan**

3% per annum

## **Who can apply for Agriculture Infrastructure Fund loan**

Farmers, Primary Agriculture Credit Societies (PACS), Marketing Cooperative Societies, Self Help Groups (SHG's), Farmer Producer Organizations (FPO's), Joint Liability Groups (JLG), Multipurpose Cooperative Societies, Agri – Entrepreneurs, Agriculture Startups and PPP Agriculture Projects sponsored by central / state agency or urban local body can apply for this scheme.

## **What is the maximum loan tenure under AIF scheme**

7 Years

## **Which bank to approach for AIF loan application**

As of 13th August 2020, you can approach any of the following banks: UCO Bank, Indian Bank, Bank of Maharashtra, Canara Bank, State Bank of India, Union Bank of India, Punjab National Bank, Bank of India, Central Bank of India, Bank of Baroda, Indian Overseas Bank and Punjab and Sind Bank

For more details, please visit the official website of Ministry at <http://agricoop.nic.in>

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