

PM Narendra Modi launches Rs 1-trillion fund for agri infrastructure

Modi said on Sunday that the country does not face problems in farm production but in post-harvest losses

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Agriculture infrastructure projects worth almost Rs 1,300 crore, to be executed through 2,282 primary agriculture cooperative societies, were launched on Sunday.

This is part of the Modi government's ambitious programme to extend financing facility of around Rs 1 trillion over the next few years to farmer groups and individuals. The financing will be extended to create viable post-harvest infrastructure in villages and generate jobs.

Launching the agriculture infrastructure fund, Prime Minister Narendra Modi said on Sunday that the country does not face problems in farm production but in post-harvest losses. Therefore, efforts are being made to strengthen post-harvest infrastructure facilities and ensure better income for farmers.

Legal hurdles are being removed and major push for agri-reforms are being given to encourage investment in rural India for creating post-harvest

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linkages, he added.

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He also credited the sixth installment of Rs 2,000 to around nine crore eligible farmers under PM-KISAN scheme, amounting to Rs 17,000 crore.

Meanwhile, under infrastructure fund, the government plans to disburse Rs 10,000 crore worth of loans at concessional rates to cooperative societies, farmer-producer organisations (FPOs), start-ups, and others in the current financial year.

Loans up to Rs 2 crore will be provided to entrepreneurs at 3 per cent interest subvention for a period of seven years. The loans will have moratorium on repayment that will vary from six months to two years.

Already, 11 of the 12 public sector banks have signed initial agreements with the ministry of agriculture for disbursal of the loan amount.

The fund, along with the three facilitating Ordinances – on freeing agriculture marketing, amending Essential Commodities Act and framework for contract farming – are aimed at providing an ecosystem to private firms to encourage them to invest in storage and warehousing in a big way. From the second year, under the agriculture infrastructure fund, that is 2021-22 onwards, the government has targeted to disburse loans worth Rs 30,000 crore each over the next three years.

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The duration of the scheme will be from FY20 to FY29 (10 years). The PM reiterated that India has a huge opportunity to invest in post-harvest management solutions and build a global presence in areas such as organic and fortified foods.

Among other steps being taken to ensure a better market to farmers, the PM said the government is encouraging creation of 10,000 FPOs, and funding 350 agri-startups to become agri-entrepreneurs. The Centre has also launched ‘Kisan Rail’ to prevent farmers from distress sale of their produce.

“What’s heartening is that the small farmers are at the core of this Rs 1 trillion agriculture infrastructure fund. It will empower them to take good care of their produce either by creating their own warehouse or giving it to those who pay them the best. Post-harvest losses have been a major bane for small farmers and this programme especially addresses this,” said KC Ravi, chief sustainability officer at Syngenta India.