

Agriculture Infrastructure in Rural areas and Credit absorption:

West Bengal is envisaging a big structural transformation both in terms of economic progress and public welfare. Infrastructure is a prerequisite of development. Creation of rural infrastructure is an enabler for the achievement of inclusive and sustainable development. As regards basic infrastructure of village connectivity through all-weather roads, electrification of villages with assured electric supply and provision of safe drinking water, the state has made rapid progress. However, significant infrastructure gaps exist with regards to agri storage & marketing, irrigation, dairy, fisheries, food & agri processing sectors in the state. While infrastructure development was primarily the domain of public investment, private investments, particularly in social infrastructure and infrastructure like irrigation, storage and market yard, have also picked up in recent years even road and power sectors are being developed under PPP mode, but this trend for rural roads is yet to pick up.

NABARD has been assisting the State Government by funding various infrastructure projects in rural areas under Rural Infrastructure Development Fund (RIDF), namely:

- Warehouse Infrastructure Fund (WIF)
- NABARD Infrastructure Development Assistance (NIDA)
- Food Processing Fund (FPF)
- Dairy Infrastructure Development Fund
- Agri Marketing Infrastructure Fund
- Micro Irrigation Fund
- Fisheries and Aquaculture Infrastructure Development Fund
- Agriculture Infrastructure Fund (AIF)
- Rural Infrastructure Assistance to State Governments (RIAS)

Infrastructure gaps and interventions required: -

- Accelerating the pace of ensuring rural connectivity through all-weather roads, providing irrigation to every field, electrification of all the households and pump sets, bridging the gaps of storage- both dry and cold storage requirements and providing basic social infrastructures such as school, colleges, health centres, sanitation, drinking water, roads.
- To meet the vast investment requirements, for which public finance may not be sufficient, financial support may be availed from NABARD and other such infrastructure financing agencies.
- Separate Feeder lines for agriculture has been added in the list of eligible activities to be financed under RIDF during the year. The State Govt. may avail financial assistance for the project under RIDF.
- PPP mode of infrastructure development/financing may be given thrust.

Progress under Agriculture Infrastructure Fund (AIF): -

The role of infrastructure is crucial for agriculture development and for taking the production dynamics to the next level. It is only through the development of infrastructure, especially at the post harvest stage that the produce can be optimally utilized with opportunity for value addition and fair deal for the farmers. Development of such infrastructure shall also address the vagaries of nature, the regional disparities, development of human resource and realization of full potential of our limited land resource.

In view of above, the Hon'ble Finance Minister announced on 15.05.2020, 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure for farmers. Financing facility of Rs. 1,00,000 crore will be provided for funding Agriculture Infrastructure Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organizations, Agriculture entrepreneurs, Start-ups, etc.). Impetus for development of farm gate & aggregation point, affordable and financially viable Post Harvest Management infrastructure.

Accordingly, Department of Agriculture and Farmers Welfare (DA&FW) has formulated the Central Sector Scheme to mobilize a medium - long term debt financing facility for investment in viable projects relating to postharvest management Infrastructure and community farming assets through incentives

and financial support.

Subsequently, in the budget announcement made on 01.02.2021, it was decided to extend the benefit of the scheme to APMCs. Accordingly, modifications in the scheme were carried out with the approval of Cabinet to make it more inclusive.

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 loans up to ₹ 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 DA&FW.

All loans under this financing facility will have interest subvention of 3% per annum up to a limit of ₹ 2 crore. This subvention will be available for a maximum period of 7 years. In case of loans beyond ₹ 2 crore, then interest subvention will be limited up to ₹ 2 crore. The extent and percentage of funding to private entrepreneurs out of the total financing facility may be fixed by the National Monitoring Committee.

Project covered under AIF:

- Warehouses/silos
- Cold storages
- Reefer Trucks
- Smart & Precision Farming
- Sorting & Grading units
- Ripening Chambers
- Integrated Packhouses
- Custom Hiring Center

The Scheme will be operational from 2020-21 to 2032-33. Loan disbursement under the scheme will complete in six years.