

AHIDF - Animal Husbandry Infrastructure Development Fund

The Cabinet Committee on Economic Affairs, chaired by Prime Minister Narendra Modi has approved the setting up of the Animal Husbandry Infrastructure Development Fund (AHIDF) worth Rs. 15000 crore under the Atmanirbhar Bharat Abhiyan stimulus package.

It has been approved for incentivizing investments by individual entrepreneurs, private companies, MSME, Farmers Producers Organizations (FPOs) and Section 8 companies to establish

- (i) the dairy processing and value addition infrastructure
- (ii) meat processing and value addition infrastructure
- (iii) Animal Feed Plant

About AHIDF

- On June 24, 2020, the Animal Husbandry Infrastructure Development Fund was announced to have been approved by the Union Cabinet
- The nodal agency managing it is the Department of Animal Husbandry and Dairying and the official website is <https://ahidf.udyamimitra.in/>
- AHIDF would facilitate the much-needed incentivisation of investments in the establishment of infrastructure for dairy and meat processing and value addition infrastructure and establishment of animal feed plant in the private sector
- The eligible beneficiaries under the Scheme would be FPOs, MSMEs, Section 8 Companies, Private Companies and individual entrepreneur with a minimum of 10% margin money contribution by them. The balance of 90% would be the loan component to be made available by scheduled banks
- The AHIDF will incentivize the following activities:
 - Dairy processing and diversified products' infrastructure
 - Meat and meat product processing infrastructure
 - Establishment of feed manufacturing unit

Objectives of Animal Husbandry Infrastructure Development Fund

- Help to increase milk and meat processing capacity and product diversification thereby providing greater access for unorganized rural milk and meat producers to organized milk and meat market
- To make available increased price realization for the producer
- To make available quality milk and meat products for the domestic consumer
- To fulfil the objective of protein-enriched quality food requirement of the growing population of the country and prevent malnutrition in one of the highest malnourished children population in the world
- Develop entrepreneurship and generate employment

- Promote exports and increase the export contribution in the milk and meat sector to make available quality concentrated animals feed to the cattle, buffalo, sheep, goat, pig and poultry to provide balanced ration at affordable prices

AHIDF - Fund Management

The INR 15,000 crore AHIDF and the interest subvention scheme for private investors will ensure the availability of capital to meet the upfront investment required for the projects and also help enhance overall returns/ payback for investors.

The government of India will provide a 3% interest subvention to eligible beneficiaries. There will be 2 years moratorium period for the principal loan amount and 6 years repayment period thereafter.

It would also set up a Credit Guarantee Fund of Rs. 750 crore to be managed by NABARD. Credit guarantee would be provided to those sanctioned projects which are covered under MSME defined ceilings. Guarantee Coverage would be up to 25% of the Credit facility of the borrower.

Significance of AHIDF

Since almost 50-60% of the final value of dairy output in India flows back to farmers, therefore, growth in this sector can have a significant direct impact on farmer's income.

The size of the dairy market and farmers' realization from milk sales is closely linked with the development of organized off-take by cooperative and private dairies.

Thus, investment incentivization in AHIDF would not only leverage 7 times private investment but would also motivate farmers to invest more in inputs thereby driving higher productivity leading to an increase in farmers income.