

UPSC Preparation

Agri-Market Infrastructure Fund (AMIF)

Agri-Market Infrastructure Fund (AMIF) was created with NABARD for the development and up-gradation of agricultural marketing infrastructure in Gramin Agricultural Markets (GrAMs) and Agricultural Produce Market Committee (APMC) markets. The **Ministry of Agriculture and Farmers Welfare (MoA&FW)**, Government of India is the administering Ministry for the scheme.

In 2019, the Cabinet Committee of Economic Affairs Chaired by Prime Minister Narendra Modi has approved the creation of AMIF with a corpus of Rs.2000 crore with the National Bank for Agriculture and Rural Development (NABARD) for developing and upgrading agricultural marketing infrastructure in 22000 GrAMs and 585 APMCs.

About Agri-Market Infrastructure Fund (AMIF)

- The scheme aims to provide financial assistance for up-gradation of Rural Haats to Gramin Agriculture Markets (GrAMs), creation of electronic display mechanism, linking of GrAMs with APMCs, and up-gradation of 585 e-NAM enabled APMCs
- AMIF provides the State/UT Governments subsidised loan for their proposal for developing marketing infrastructure in 585 Agriculture Produce Market Committees (APMCs) and 10,000 Grameen Agricultural Markets (GrAMs).
- States may also access AMIF for innovative integrated market infrastructure projects including Hub and Spoke mode and in Public-Private Partnership mode.
- The interest subsidy is provided by NABARD in alignment with the annual budget released during 2018-19 and 2019-20 and is valid up to 2024-25.

Until now, the Ministry of Rural Development (MoRD), Government of India had been developing and upgrading the physical infrastructure of rural haats under the control of panchayat through States / Union Territories through Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for the development of GrAMs. But, now the same shall be done through AMIF.

Objectives of the Agri-Market Infrastructure Fund Scheme

1. To improve marketing and supporting infrastructure in Gramin Agricultural Markets (GrAMs) as well as in regulated wholesale markets of APMC by developing marketing infrastructure to enhance farmers' market access and reduce post-harvest losses, marketing cost and the number of intermediation in the supply chain, resulting in increased net income of the farmers.
2. To link GrAMs to the e-NAM portal to facilitate the farmers for online trade of the aggregated produce and thereby to avail the benefit of transparent on-line trading on the e-NAM platform for a remunerative price through better price discovery.
3. To provide a better farmer-consumer interface through the development of GrAMs as Farmer-Consumer Direct Markets.
4. To modernize the marketing, processing, storage, and ancillary infrastructure to enhance marketing efficiency and promote inter-mandi and inter-State trade transactions by developing adequate logistics.

What is the Implementation Period of the Agri-Market Infrastructure Fund (AMIF) Scheme?

The Scheme will be operational from 2018-19 to 2025-26, which includes a moratorium period of 2 years.

Significance of Agri-Market Infrastructure Fund (AMIF)

- A network of rural godowns enables small farmers to enhance their holding capacity in order to sell their produce at remunerative prices and avoid distress sales.
- More than 86% of farmers in India are small and marginal who are not always in a position to directly transact at APMCs and other wholesale markets.
- Accordingly, the Government of India launched 'Grameen Bhandaran Yojana' in 2001, which has been subsumed into "Agricultural Marketing Infrastructure (AMI)" from 2014.
- The main objectives of the scheme include the creation of scientific storage capacity with allied facilities in rural areas to meet various requirements of farmers for storing farm produce, processed farm produce, agricultural inputs, etc.
- Pursuant to the budgetary announcement in 2018-19 and in order to provide market facilities nearer to the farm gate to the farmers to directly sell their produce to the consumers and bulk purchasers in the GrAMs and strengthen & modernize the marketing and auxiliary

infrastructure/facilities in APMC markets so as to improve its marketing efficiency, this scheme has been formulated.

- Against the announcement in the Union Budget, 2018-19 to develop and upgrade the existing 22,000 rural haats, a total of 10,000 rural haats are proposed to be covered under the AMIF during 2018-19 and 2019-20.

Frequently Asked Questions about the Agri-Market Infrastructure Fund (AMIF)

What is the purpose of the Agri-Market Infrastructure Fund?

The Agri-Market Infrastructure Fund was announced in 2018 Budget for developing and upgrading agricultural marketing infrastructure in the 22,000 Gramin Agricultural Markets (GrAMs) and 585 Agricultural Produce Market Committees (APMC).

Why was the Agri-Market Infrastructure Fund created?

The fund would be created with NABARD for the development and up-gradation of agricultural marketing infrastructure in Gramin Agricultural Markets and Regulated Wholesale Markets.