

Animal Husbandry Infrastructure Development Fund

June 25, 2020

The share of allied activities in agricultural income has seen an increase over the years, with significant contribution from animal husbandry. The Infrastructure Development Fund aims to provide additional thrust to the sector.

Animal Husbandry Infrastructure Development Fund

In pursuance of recently announced **Atma Nirbhar Bharat Abhiyan stimulus package** for ensuring growth in several sectors, the Cabinet Committee on Economic Affairs, chaired by Prime Minister has approved setting up of Animal Husbandry Infrastructure Development Fund (AHIDF) **worth Rs. 15000 crore.**

The government realizes that **MSMEs and private companies** also need to be promoted and **incentivized for their involvement in processing and value addition infrastructure.** AHIDF would facilitate much needed incentivisation of investments in establishment of such infrastructure for dairy and meat processing and value addition infrastructure and establishment of animal feed plants in the private sector.

The eligible beneficiaries under the Scheme would be **Farmer Producer Organizations (FPOs), MSMEs, Section 8 Companies, Private Companies and individual entrepreneurs with minimum 10% margin money contribution by them.** The balance 90% would be the loan component to be made available by scheduled banks.

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

Government of India 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 upto 25% of the credit facility of the borrower.

The INR 15,000 cr. AHIDF and the interest subvention scheme for private investors will ensure availability of capital to meet upfront investment required for these projects and also help enhance overall returns/ pay back for investors. Such investments in processing and value addition infrastructure by eligible beneficiaries would also promote export of these processed and value added commodities.