



## Credit Guarantee Scheme for Livestock Sector

**For Prelims:** [MSMEs](#), Ministry of Fisheries, [Farmers Producers Organizations \(FPOs\)](#), Interest Subvention scheme.

**For Mains:** Economics of Animal-Rearing, MSMEs.

[Source: PIB](#)

### Why in News?

The Ministry of Fisheries, Animal Husbandry and Dairying has launched **the first ever “Credit Guarantee Scheme”** under Animal Husbandry Infrastructure Development Fund (AHIDF) to facilitate collateral-free credit for MSMEs in the [livestock sector](#).

### What are the Key Features of the Credit Guarantee Scheme?

- **Objective:**
  - **Strengthen credit delivery system** and facilitate smooth flow of credit to [Micro, Small & Medium Enterprises \(MSMEs\)](#) engaged in the Livestock sector.
  - **Increase access to finance** for un-served and under-served livestock sector, with a focus on first-generation entrepreneurs and underprivileged sections of society.
- **Credit Guarantee Fund Trust:**
  - **A Credit Guarantee Fund Trust** of Rs. 750.00 crores have been established to provide credit guarantee coverage up to 25% of the credit facilities extended to eligible MSMEs by lending institutions.
- **Interest Subvention:**
  - The scheme offers an [interest subvention of 3%](#) on loans obtained from Scheduled Banks or [National Cooperative Development Corporation \(NCDC\)](#).
  - Borrowers can avail up to 90% of the total project cost as a loan.

### What is Animal Husbandry Infrastructure Development Fund?

- The AHIDF has been set up **as MSMEs and Private companies also need to be promoted and incentivized** for their involvement in processing and value addition infrastructure.
- The AHIDF is a **Central Sector Scheme** under the **Prime Minister’s Atma Nirbhar Bharat Abhiyan stimulus package** of Rs.15000 crores for incentivizing investments in:
  - Dairy processing and value addition infrastructure.
  - Meat processing and value addition infrastructure.
  - Animal Feed Plant.
  - Breed Improvement technology and Breed Multiplication Farm.
  - Animal Waste to Wealth Management (Agri Waste Management).
  - Setting up of Veterinary Vaccine and Drugs Manufacturing facilities.
- Individual entrepreneurs, private companies, MSMEs, [Farmers Producers Organizations \(FPOs\)](#), and Section 8 companies are encouraged to invest in the Livestock sector through this

fund.

## UPSC Civil Services Examination, Previous Year Question (PYQ)

### **Mains**

**Q.** Livestock rearing has a big potential for providing non-farm employment and income in rural areas. Discuss suggesting suitable measures to promote this sector in India. **(2015)**

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