



Agri-Market Infrastructure Fund

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Recently, the Cabinet Committee on Economic Affairs (CCEA) approved a corpus of **Rs. 2,000 crore for Agri Market Infrastructure Fund** (AMIF) to be created with **NABARD** for development and upgradation of agricultural marketing infrastructure in rural agricultural markets.

- 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 Committee (APMC)**.
- At present, GrAMs are being developed from **MGNREGA fund**.
- The scheme being **demand-driven**, progress will depend on demand from states

NABARD

- **National Bank for Agriculture and Rural Development (NABARD)** came into existence on the **recommendation of B. Sivaraman Committee**.
- It was approved by the **Parliament through Act of 1981** and came into **existence in 1982** by transferring the agricultural credit functions of RBI and refinance functions of the then Agricultural Refinance and Development Corporation (ARDC).
- **Functions** of NABARD:
 - NABARD gives high priority to projects formed under the **Integrated Rural Development Programme (IRDP)**.
 - It provides finance to **support poverty alleviation** programs run by IRDP.
 - It also makes the service area plan to provide backward and forward linkages and infrastructural support.
 - It seeks to **establish linkages between Self-help Group (SHG)** that are organized by voluntary agencies for poor and needy in rural areas and other official credit agencies.
 - It finances projects under the '**National Watershed Development Programme**' and the '**National Mission of Wasteland Development**'.
 - It also **supervises the cooperative banks** and **Regional Rural Banks** to

periodically ensure the development of the rural financing and farmers' welfare.

Objectives

- The fund will provide **subsidised loans to states and Union Territories** for 585 APMC mandis and 10,000 GrAMs.
- States can also utilise this fund for innovative integrated market infrastructure projects, including hub and spoke model and in private-public partnership mode.

Significance

- 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.
- 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.
- Accordingly, Government of India launched '**Grameen Bhandaran Yojana**' in **2001**, which has been subsumed into "**Agricultural Marketing Infrastructure (AMI)**" from **2014**.
- Main objectives of scheme include **creation of scientific storage capacity** with allied facilities in rural areas to meet out various requirements of farmers for storing farm produce, processed farm produce, agricultural inputs, etc.