



**Agri-Market Infrastructure Fund (AMIF)
for Development and Up-gradation of Agricultural Marketing
Infrastructure in Gramin Agricultural Markets (GrAMs) and
APMC Markets**

Scheme Guidelines

**Department of Agriculture , Cooperation & Farmers' Welfare
Ministry of Agriculture & Farmers' Welfare
Government of India**

Index

S.No.	Particulars	Page No.
1.	Introduction	3-4
2.	Rationale of the Scheme	4-5
3.	Objectives of Scheme	5
4.	Fund Corpus and Cost of Fund	5-6
5.	Implementation Period of Scheme	6
6.	Financial Implication	6
7.	Eligible Projects	6-7
8.	Eligible Beneficiaries	7-8
9.	Priority and Investment Limits	8
10.	Implementation Mechanism and Routing of Proposal/DPR	8-10
11.	Duties and Function of Screening Committee	10
12.	Utilisation of Loan	10-11
13.	Payment of Interest Subvention and Repayment of Loan	11
14.	Monitoring & Evaluation of the Scheme	11-12
15.	Project Completion Report/Certificate	12
16.	Sanction and Recovery of loan	12
17.	Memorandum of Agreement	13
18.	Annexure – I to IV	14-19

Scheme Guidelines of Agri-Market Infrastructure Fund (AMIF) for Development and Up-gradation of Agricultural Marketing Infrastructure in Gramin Agricultural Markets (GrAMs) and APMC Markets.

1.0 Introduction

1.1 Farmers either sell their produce to the aggregators/ local traders at prices dictated by them or sell in the nearby rural *haats* or are generally required to bring their produce to wholesale markets, which are regulated under the provisions of respective States' Agricultural Produce Marketing (Regulation) Acts/Rules , popularly called Agricultural Produce Market Committee (APMC) Act/Rules . As on 31.03.2017, there are 6630 regulated wholesale markets in the country with an average density of 496 square Km. per market. Expansion of number of wholesale regulated markets may not be feasible being capital intensive and time consuming. In addition to these wholesale markets, there are reportedly 22,941 rural *haats* in the country located nearer to the farm gate. As reported by State Agricultural Marketing Departments/Boards, approximately 11,811 rural *haats* are under Rural Local Bodies i.e Panchayats , approximately 1274 rural *haats* under Agricultural Produce Market Committees (APMCs), cooperatives & other government agencies, while remaining approximately 9856 rural *haats* are under private sectors including individuals , trusts, waqf boards , etc.

1.2 Rural *haats* and Agricultural Produce Market Committee/Regulated Market Committee (APMC/RMC) markets play a crucial economic role for agrarian community in realizing prices for the commodities traded. However, the village *haats*, lacking requisite marketing and supporting infrastructure and facilities, are of paramount importance for farmers in general and for small and marginal farmers including women in particular, for better value realization of their agricultural produce. Many regulated wholesale markets also suffer from the lack of necessary marketing and auxiliary infrastructures. Inaccessibility and inadequate supporting and marketing infrastructure together lead to prevalence of avoidable intermediaries, resulting into low price realization to the producers, more so to the small & marginal ones. Hence, improving the infrastructure of rural *haats* & selected regulated wholesale markets will substantially improve the agri. value chain and will improve the market accessibility & price realisation, reduce wastages and provide opportunity

to the farmers for value addition and processing to make it more marketable and remunerative.

2.0 Rationale of the Scheme

2.1 In order to provide farmers particularly small and marginal ones with proper marketing facilities nearer to farm-gate and improve farmer- market linkages, Government announced in the Union Budget, 2018-19 to develop and upgrade existing approximately 22,000 rural *haats* into Gramin Agricultural Markets (GrAMs). In these GrAMs, physical infrastructure to be strengthened using MGNREGS and other Government Schemes; and an Agri-Market Infrastructure Fund (AMIF) with a corpus of Rs. 2000 crore is also to be set up for developing and upgrading agricultural marketing infrastructure in the 22,000 Gramin Agricultural Markets (GrAMs) and 585 Agriculture Produce Market Committee (APMC) Markets. The GrAMs are to be linked to electronic National Agricultural Market (e-NAM).

2.2 Pursuant to budgetary announcement in 2018-19 and in order to provide market facilities nearer to 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.

2.3 Against the announcement in the Union Budget ,2018-19 to develop and upgrade existing 22,000 rural *haats* , a total of 10,000 number of rural *haats* are proposed to be covered under the AMIF during 2018-19 and 2019-20 . The rationality behind proposing 10,000 rural *haats* is that as per information received from State Agricultural Marketing Departments / Boards, there are only 11,811 rural *haats* under control of local bodies i.e Panchayats ; and as per the provision of MGNAREGA , rural *haats* only under control of local bodies can be developed from its fund. Further, out of existing 11,811 rural *haats* , around 1,000 rural *haats* have already been adequately developed by States under various schemes including Agricultural Competitiveness Project of World Bank. As regards proposing 585 APMC markets, it has been considered in sync with budgetary announcement and also to modernize them in terms of infrastructure and logistic support to facilitate

value addition, temporary stocking and movement from dispatch to destination centres in inter-mandi and inter-state trade.

3.0 Objectives of Scheme

3.1 To improve marketing and supporting infrastructure in Gramin Agricultural Markets (GrAMs) as well as in regulated wholesale markets of APMC/RMC by developing marketing infrastructure so as to enhance farmers' market accessibility and reduce post-harvest losses, marketing cost and number of intermediation in supply chain, resulting into increased net income of the farmers. To link GrAMs to e-NAM portal to facilitate the farmers for on-line trade of the aggregated produce and thereby to avail the benefit of transparent online trading on e-NAM platform for a remunerative prices through better price discovery.

3.2 To provide better farmer-consumer interface through development of GrAMs as Farmer-Consumer Direct Markets.

3.3 To facilitate aggregation of the produce in GrAMs and establish forward linkages with the secondary markets of APMCs in hub and spoke mode and also in Public Private Partnership mode as well as to establish linkage with the processors, organized retailers and consumers including that with Mega Food Parks and Integrated Cold Chain etc.

3.4 To modernize the marketing, processing, storage and ancillary infrastructure/logistics including better assaying facilities in 585 regulated APMC markets to enhance marketing efficiency and promote inter-mandi and inter-State trade transactions by developing adequate logistics.

4.0 Fund Corpus and Cost of Fund

4.1 National Bank for Agriculture and Rural Development (NABARD) will set up an initial Corpus Fund of Rs.2000 crore as Agri-Market Infrastructure Fund (AMIF) through market borrowings at the prevalent rate of interest (now @8.5%). The aforesaid corpus of Rs. 2,000 crore will be developed by NABARD in two years during 2018-19 and 2019-20, however, NABARD will be free to apply its own procedure to develop the corpus.

4.2 The cost of fund would include the cost of borrowing by NABARD from market and NABARD's margin of 0.6%. The margin of 0.6 % p.a. will be added to current market cost of borrowing by NABARD towards covering processing, administrative, overheads, risk cost etc The cost of fund will be computed by NABARD through its established procedure.

4.3 The rate of interest on loan on each occasion shall be 3 % below the corresponding cost of fund. DAC&FW will provide an interest subvention of 3.0 % to enable NABARD to advance loans to State Governments/UT Administrations at concessional rate of interest .

5.0 Implementation Period of Scheme

5.1 The Scheme will be operational from 2018-19 to 2025-26 which includes moratorium period of 2 years. The proposals received from States/ Union Territories and duly approved/sanctioned upto 31.03.2020 shall be eligible for assistance under the scheme.

6.0 Financial Implication

6.1 The loans at the applicable rate will be extended by NABARD to the State Government / UT administration during the remaining period of 14th Finance Commission i.e. 2018-19 and 2019-20 with an allocation of Rs. 12.00 crore and Rs. 1988.00 crore respectively. Based on demand and other factors, the amount of loan disbursement to the State Governments / UT administrations may *inter se* vary. Total expected outgo in the form of interest subvention for the Government of India is estimated to be Rs.240 crore over the scheme period starting from 2018-19 to 2025-26.

7.0 Eligible Projects

7.1 States/ UTs will consider those rural *haats* for assistance under the Scheme wherein basic and supporting infrastructure under MGNREGS have either already been developed or at any stage of development. Those rural *haats* , with adequate basic and supporting infrastructure requiring no further need of development from

MGNREGS , may also be considered for assistance. Justification in this respect may be given either by the concerned official of MGNREGS at district level or designated nodal officer of the State/UT. A list of infrastructure /facilities prescribed under MGNREGS is at Annexure-I, which is subject to modification from time to time.

7.2 In addition to incentivizing development of marketing infrastructure in GrAMs and strengthening & modernizing marketing and auxiliary infrastructure/facilities in APMC markets under the Scheme , States /UTs, through own resources under special and innovative initiatives, may also further strengthen and improve the physical infrastructure

7.3 State Governments / UT Administrations, while preparing the Detailed Project Report (DPR)/Proposal , may prioritize those rural *haats* and APMC markets located in aspirational district(s) and also those located in notified tribal areas.

7.4 The size and dimensions of the marketing and support infrastructure may be based on the size/type of markets along with requirements therefor. Cost norms for civil structure will be based on the estimates of civil / electrical as per unit cost rate followed by respective State/UT . As regards marketing infrastructure, the unit cost norm for any component of infrastructure may be followed from the unit cost norm existing in respective State; and in the absence of such norms, Central Government cost norm will be applicable . However, for integrated market infrastructure projects and innovative marketing infrastructure component, for which no norms exist, actual cost may be taken for formulating cost estimates. No capacity ceiling is prescribed to give flexibility to state/UT to promote state of the art value chain projects involving APMCs & GrAMs in cluster mode.

8.0 Eligible Beneficiaries

8.1 The fund in the form of loan is to be accessed by the State Government / UT Administration not by the individual beneficiaries (Panchayats, State Government Departments , Marketing Boards, APMCs, Co-operative, other State agencies) as per the set procedure and guidelines in this respect applicable in NABARD.

8.1.1 For GrAMs, as loan will be advanced to State Governments/ UT Administrations, therefore, the direct beneficiary will be State Government/UT

Administration . State Government /UT Administration through its identified institutional mechanism or otherwise will transfer the fund to the real beneficiary of Panchayats for assistance to develop marketing infrastructure in Gramin Agricultural Markets (GrAMs). State Government /UT Administration can also transfer the fund to other State agencies like APMCs and Co-operatives for developing marketing infrastructure in rural *haats* controlled by them into Gramin Agricultural Markets (GrAMs) subject to the condition that such agency (ies) undertake to provide necessary basic and supporting infrastructure/facilities in rural *haats* and also undertake to deregulate such GrAMs from APMC Act reregulation.

8.1.2 For APMCs, as loan will be advanced to State Governments/ UT Administrations, therefore, the direct beneficiary will be State Government/UT Administration. The State Government/ UT Administration through State Agricultural Marketing Departments/ Boards, as the case may be, will transfer the fund to Agricultural Produce Market Committees (APMCs)/ Regulated Market Committees (RMCs) to develop marketing and auxiliary infrastructure/facilities in APMC/RMC markets.

9.0 Priority and Investment Limits

9.1 States/UTs will have full flexibility to identify the type/ size and dimension of the infrastructure with minimum of Rs. 8.00 lakh to maximum of Rs. 25.00 lakh investment per GrAM. In case of APMC market, investment ceiling is Rs. 2.05 crore per market . Investment in GrAMs is to be prioritized with more focus to the GrAMs located in the aspirational districts. However, States/UTs, while submitting DPRs/proposals to DAC&FW, have to ensure that at least 40 % of the total proposed investment should be made towards development of marketing infrastructure in GrAMs.

10.0 Implementation Mechanism and Routing of Proposal/DPR

10.1 State Government/ UT administration will designate a nodal officer in the State/ UT and will also constitute a State Level Sanctioning Committee (SLSC) chaired by aforesaid designated nodal officer and comprising members from line departments like rural development, panchayatiraj, finance, marketing, co-operation, agriculture, horticulture, animal husbandry & fisheries. The SLSC will consider and scrutinize the

DPRs/ proposals received from districts of the State/UT before forwarding compiled proposals/DPRs to the DAC &FW in prescribed pro-forma given at Annexure-II in case of proposal/DPR relating to GrAMs. The proposal/DPR is to be forwarded by the SLSC to DAC&FW in two copies. State Governments/ UT Administration for compilation of the proposals and proper coordination in the districts will identify a District Level Institutional Mechanism, which would forward the compiled proposals/DPR to SLSC. In case of proposals /DPRs relating to APMC markets , respective State Agricultural Marketing Department/Board, as the case may be, will coordinate and compile and forward the proposal to SLSC. In case of proposals relating to APMCs too, the SLSC will forward the compiled proposal/DPR to DAC&FW in two copies in the prescribed pro-forma.

10.2 Designated State Level Nodal Officer will have to ensure that at any point of time investment proposal should not be less than 40% towards GrAMs of the total investment proposed.

10.3 The Screening Committee constituted in the DAC&FW shall consider DPRs/ proposals received from States/UTs . The Screening Committee will scrutinise and recommend the DPRs/ proposals to NABARD for sanction/ release of loan along with the total cost, eligible loan amount to the State/UT.

10.4 Composition of Screening Committee shall be as under:-

- | | | |
|--------|---|-------------------|
| (i) | Additional Secretary (In-charge of Agricultural Marketing)
or as nominated by DAC&FW | -Chairman |
| (ii) | Representative of Deptt. of Financial Services, GOI | -Member |
| (iii) | Chief General Manager of NABARD or its nominee not
below the rank of DGM | -Member |
| (iv) | Representative from Ministry of Rural Development | -Member |
| (v) | Representative from Ministry of Panchyati Raj | -Member |
| (vi) | Advisor Agriculture, NITI Aayog | -Member |
| (vii) | Representative of IFD, DAC&FW | -Member |
| (viii) | Representative of concerned State/UT seeking assistance | -Member |
| (ix) | Director General, NIAM, Jaipur | -Member |
| (x) | Joint Secretary (Mktg.) & AMA | -Member Secretary |

10.5 The Chairman of the Committee may co-opt one additional Member from DMI not below the rank of Deputy Secretary to assist the committee in technical matters related thereto. Chairman may also co-opt any agriculture marketing and finance specialists having well-versed knowledge on the subject.

10.6 DMI will provide secretarial assistance to Screening Committees.

10.7 The NABARD will sanction the DPR/proposal received from DAC&FW by applying the due diligence and release the fund to the respective State Government/ UT Administration (Finance Department) in the manner & procedure applicable in NABARD and in sync with the MoU.

11.0 Duties and Function of Screening Committee

11.1 DAC&FW shall set up a Screening Committee to discharge and perform following duties and functions.

- i) To scrutinize the DPRs/ proposals and recommend the same for sanction by NABARD after applying its due diligence.
- ii) To provide recommendation to the DAC&FW, and also to the NABARD, if need arises, for formulation and changes to the guidelines for implementation of the projects.

12.0 Utilisation of Loan

12.1 The loan amount shall be given to the States /UTs in a perspective manner. The State Government/ UT Administration will ensure that loan is utilized for the purpose (s) it has been taken.

12.2 State Governments / UT Administrations may access loan for developing marketing infrastructure in GrAMs and strengthening & modernizing marketing and auxiliary infrastructure/facilities in APMC. Illustrative lists of eligible marketing infrastructure in GrAMs and marketing and auxiliary infrastructure/facilities in APMC markets are given at **Annexure- III and IV**, respectively. Based on requirements considering varied factors like infrastructure gap, nature of produce , throughput , etc, marketing infrastructure in GrAMs and marketing and auxiliary

infrastructure/facilities in APMC markets can be modified. The list is an indicative only not exhaustive.

13.0 Payment of Interest Subvention and Repayment of Loan

13.1 To keep the borrowing under AMIF attractive for the State Governments/ UT administrations, NABARD shall lend at 3 % lower interest rate than the corresponding cost of funds mobilized by NABARD from market borrowings inclusive of NABARD's margin. The interest subvention amount on claim/application by NABARD shall be quarterly payable to NABARD subject to availability of fund with DAC&FW upon submission of Audited claims. However, DAC&FW will make efforts to coincide interest subvention with the date of repayment of interest by the State Governments/ UT Administration . This cost shall be met from existing budget of sub-scheme of Agricultural Marketing Infrastructure (AMI) under the Scheme of Integrated Scheme of Agriculture Marketing (ISAM) of DAC&FW.

13.2 Borrowings from NABARD shall be paid back in 7 years including moratorium period of 2 years starting from 2018-19 to 2025-26. The year of disbursement shall also be counted for moratorium of 2 years. States/UTs shall repay the loan to NABARD as per the instructions as specified in the terms and conditions of sanction letter and disbursement advice issued by NABARD.

13.3 The NABARD will submit statement of State/UT- wise loan amount released and outstanding loan quarterly basis along with claim/application for interest subvention.

14.0 Monitoring & Evaluation of the Scheme

14.1 Monitoring of individual projects shall primarily be the responsibility of the implementing Agency/Department of the State Government.

14.2 NABARD may undertake monitoring of projects on sample basis.

14.3 Monitoring of implementation of the scheme will be done by the Government of India, through a special monitoring cell, to be set up in Directorate of Marketing and Inspection (DMI), an attached office of DAC&FW. NABARD may submit audited

UCs for Grants-in-aid released by GoI in previous FY and provisional UC for funds released in previous quarter by GoI.

14.4 A third party independent mid- term evaluation of the scheme will be carried out after the end of second year (2019-20) of the Scheme to assess the benefits such as better price realization by farmers due to improvement in the infrastructure of GrAMs and APMC markets from within the Budget of DMI.

15.0 Project Completion Report/Certificate

15.1 Project completion certificate alongwith the project completion report shall be submitted by the implementing Department through Finance Department of the concerned State Government/ UT Administration to DAC& FW through NABARD within three months from the date of completion of project. It shall be duty of NABARD to ensure that such certificate alongwith the completion report is timely received in DAC&FW. The project is to be completed within 16 months from the day of sanction of proposal by NABARD. If reason is justified, grace period for another three months can be granted by DAC&FW on recommendation by NABARD.

16.0 Sanction and Recovery of loan from AMIF

16.1 Loan sanctioned and disbursed by the NABARD to State Government /UT Administration under the scheme shall be recovered in time bound manner from the loanee State/UT Administration. The such recovery of loan shall be in the process and manner as contained in the Memorandum of Agreement and also as per the terms and conditions of loan sanction letter issued by NABARD .

16.2 However in the event of default by any State Government/UT Administration in honouring its repayment obligation with reference to AMIF as per MoU, DAC & FW may consider not to release any further amount to the extent of default to concerned State Government/UT Administration under central share from RKVY or any other scheme of DAC&FW. In addition to this, in case of any default of repayment, any other measure as deemed fit, may be initiated by DAC &FW in consultation with NABARD.

17.0 Memorandum of Agreement

17.1 States/UTs shall sign tripartite Memorandum of Agreement (MoA) with DAC&FW (GoI) and NABARD to ensure effective implementation and periodic repayment of loan and interest to NABARD. The MoA in respect of State Government/UT Administration will be signed by its Finance Department, being the “Nodal Department” for availing the loan under AMIF . The loan under AMIF will be advanced as per the terms and conditions of sanction letter and provisions contained in the aforesaid MoA, which is to be finalized in due course in consultation with NABARD. The operational guidelines for MoA for sanction and release of loan to States/UTs out of AMIF and any modifications thereto shall be read as part and parcel of this Memorandum of Agreement.

Annexure I**List of basic and support Infrastructure for development in Rural *haats* under MGNREGS**

S.No.	Infrastructure/ Facilities
1.	Open raised, covered platform
2.	Toilets (Separate for women and Men)
3.	Drinking water facility
4.	Drains
5.	Brick/Stone soling in the moving space
6.	Garbage pits at corner
7.	Office block
8.	Storage (Small size)
9.	Boundary wall/fencing with two gates(incoming and outgoing)
10.	Parking space
11.	Drinking water facility for cattle

Annexure-II

Pro-forma for Proposal/DPR to submit DAC&FW

Name of the State/UT: _____

Name and Designation
with telephone no. and email id of the contact person: _____

Sl. No.	Particulars	Write the applicable
1	2	3
A.	Proposal/DPR relates to GrAM / APMC Markets	GrAM
1.	In case of GrAM, indicate the entity(Panchayat/Cooperative/APMC/other state agency)	
2.	Location of the GrAM (name of village,block/aluka, district)	
3.	Type of GrAM (wholesale/retail/both wholesale & retail)	
4.	Nature of GrAM (agricultural produce market/ horticultural produce market/mixed market/fish market/livestock market / specify, if other)	
5.	Status of adequacy of basic Infrastructure Yes/No If yes, provided- i) under MGNREGS with list of such basic infrastructure ii) under other than MGNREGS along with its source with list of such basic infrastructure If no, please undertake to adequately provide the basic infrastructure	
6.	Details of marketing infrastructure proposed under AMIF	
	Sl. No.	Name of the infrastructure
		Estimated cost (Rs. in
		Criteria for considering cost

			lakhs)	
	1.			
	2.			

	Total cost			
7.	Financial contribution of State/UT, if any, over and above AMIF (Rs. in lakhs)			
8.	Potential to integrate with e-NAM portal			
9.	Time line for completion of project			
10.	Whether or not outside the ambit of APMC regulation			
11.	Recommendation/remark of the State Government/ UT Administration			
B.	Proposal/DPR relates to GrAM / APMC Markets			APMC market
1.	Name and address of APMC market with whether Principal Market Yard or Sub-Market Yard			
2.	Commodity specific/ general market If commodity specific, please mention the name of commodity or group of commodities traded alongwith its turnover and total turnover If general market, please mention the name of three major commodities traded along with their turnover and total turnover			
3.	Whether already integrated with e-NAM or not, if not whether any proposal is to integrate?			
4.	Details of marketing and auxiliary infrastructure/ facilities existed. Please provide the list.			
5.	Details of marketing and auxiliary infrastructure/ facilities proposed under AMIF			
6.	Details of marketing infrastructure proposed under AMIF			
	Sl. No.	Name of the infrastructure	Estimated cost	Criteria for

		(Rs. in lakhs)	considering cost
	1.		
	2.		

	Total cost		
7.	Financial contribution of State/UT, if any, over and above AMIF (Rs. in lakhs)		
8.	Time line for completion of project		
9.	Recommendation/remark of the State Government/ UT Administration		

Signature of State Government/UT Administration official with designation
Competent to forward the proposal.

Note: Above pro-forma is to be filled up individual GrAM and APMC market wise separately and also a consolidated summery sheet is to be attached indicating the total fund requirement under AMIF for GrAMs and APMC markets separately in crores along with the percentage thereof. If the proposal is for 2nd time, the summery consolidated summery sheet of previous time is also to be attached.

Annexure III

List of indicative marketing infrastructure eligible for GrAMs under the scheme.

S.No.	Indicative marketing Infrastructure
1.	1. Cleaning, sorting grading, washing, waxing, processing, packaging, pack house as required.
2.	2. Low energy cool chamber / Deep Freezer / Storage facility/Mini Reefer Vans/Solar powered Cold Storage, Freezer etc.
3.	3. IT infrastructure for integrating with e-NAM and for market information including electronic ticker board/ market information announcement system.
4.	4. Electronic weighing scales/normal weighing scales
5.	5. Other Infrastructure such as value additions machines such as Mini Dal Mill / Mini Rice Huller / Mini Millet processing unit/ Mini Oil Expeller/Deshelling/ Decorticator Machines including solar powered ones etc.
6.	6. Bagging and stitching machines and facilities

List of indicative marketing and other supporting Infrastructure

S.No.	Indicative Marketing / and other supporting Infrastructure
1.	Common Auction system and drying platform/drying equipment.
2.	Scientific warehouses including material handling and testing equipment.
3.	Ripening Chamber Cold Storages/ Pack houses/ Refrigeration Deep Freezer/ Reefer vans etc including solar powered and zero energy and with other technological innovations ones.
4.	Cleaning, grading, washing, waxing, packaging and primary processing.
5.	Electronic and normal weighing scale/ weigh bridge.
6.	Computer & IT equipments and connectivity/POS devices for e-trading and market information system
7.	Assaying equipment and assaying Laboratory.
8.	Price display board (Electronic/ Non-electronic) and / or Public announcement system
9.	Mini dal mil/oil mil/ Mini Rice Huller/flour mill/deshelling/ decorticator machine/ mini oil expeller and refining facility/Cotton ginning / Mini millet processing unit and allied facilities/spice making and other value addition machines such as drying machines & required platform etc.
10.	Bagging and Stitching Machines and facilities for packaging