

# RS. 1 LAKH CRORE FARM INFRA FUND TO BE FINANCED BY NABARD: FM

Relevant for: Indian Economy | Topic: Agriculture Issues and related constraints

Big plans: Nirmala Sitharaman and Anurag Thakur speaking in New Delhi on Friday. Sushil Kumar Verma

With supply chain disruptions during COVID-19 revealing critical gaps in agricultural infrastructure and logistics systems, Finance Minister Nirmala Sitharaman announced plans for a Rs. 1 lakh crore farm infrastructure fund as part of the Atmanirbhar Bharat Abhiyan stimulus package on Friday.

The third tranche of the stimulus package also included plans to strengthen infrastructure in food processing, fisheries, animal husbandry, horticulture, herbal cultivation and beekeeping with a total funding of Rs. 50,000 crore, including funds allocated earlier in the budget.

The Rs. 1 lakh crore Agriculture Infrastructure Fund will be financed and managed by the National Bank for Agriculture and Rural Development (NABARD), the Finance Minister said. Financing will be provided to primary agriculture cooperative societies, farmer producer organisations, agriculture entrepreneurs and start-ups to develop cold chain storage and other post-harvest management infrastructure at the farm gate and aggregation points.

“These are good measures, but everything is in the future tense. In the present crisis, farmers are facing huge losses. What is desperately needed now is some immediate compensation rather than funds which will only have future impact,” said Ramandeep Singh Mann, a farmer and activist based in the Punjab-Haryana area.

“The government talks about supply chain disruptions and promises improvements. But they could have just taken over transport and storage facilities during the COVID-19 crisis to help farmers,” said S. Kannaiyan, a Tamil Nadu-based farmer and activist who was forced to throw away a portion of his cabbage crop and sell the rest at a loss due to the lockdown.

The focus hitherto has been on short term crop loans while investment in long term agriculture infrastructure has often not been enough, said Ms. Sitharaman. “The underlying principle is to empower the people, give them resources so that they can produce for themselves and have livelihoods for themselves rather than going for entitlements,” she added.

This rationale drives the plan for a Rs. 10,000 crore scheme to support two lakh micro-food processing enterprises, providing technical support to reach FSSAI health and safety standards, build brands and marketing.

The National Medicinal Plants Board will spend Rs. 4,000 crore on herbal cultivation over 10 lakh hectares with a special focus on an 800 hectare corridor of medicinal plants on the banks of the Ganga.

Subscribe to The Hindu digital to get unlimited access to Today's paper

Already have an account ? [Sign in](#)

Start your 14 days trial now. [Sign Up](#)

Find mobile-friendly version of articles from the day's newspaper in one easy-to-read list.

Enjoy reading as many articles as you wish without any limitations.

A select list of articles that match your interests and tastes.

Move smoothly between articles as our pages load instantly.

A one-stop-shop for seeing the latest updates, and managing your preferences.

We brief you on the latest and most important developments, three times a day.

\*Our Digital Subscription plans do not currently include the e-paper ,crossword, iPhone, iPad mobile applications and print. Our plans enhance your reading experience.

To continue enjoying The Hindu, You can turn off your ad blocker or Subscribe to The Hindu.

[Sign up for a 30 day free trial.](#)

**END**

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

CrackIAS