

## Agricultural Marketing Infrastructure (AMI) Scheme

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### Abstract

The Ministry of Agriculture and Farmers' Welfare, Government of India, launched the Agricultural Marketing Infrastructure (AMI) Scheme in 2019. The Agricultural Marketing Infrastructure (AMI) Scheme in India aims to develop and strengthen the country's agricultural marketing infrastructure. The scheme has several goals, including the development of modern infrastructure, the promotion of agricultural markets, the improvement of produce quality, the reduction of post-harvest losses, and the promotion of direct marketing and e-trading. The Central Government will provide financial assistance of up to 60% of the total project cost. The remaining 40% of the cost will be borne by state governments and union territories. Agricultural marketing infrastructure is critical to ensuring efficient, timely, and cost-effective agricultural marketing.

### Introduction

Agriculture is one of the most important sectors of the Indian economy, contributing significantly to GDP and employing a large portion of the workforce. However, low productivity, limited access to modern technology, and a lack of proper marketing infrastructure characterise the sector. To address these issues, the Indian government has launched several schemes across the country to improve agricultural marketing infrastructure (AMI), a sub-scheme of the Integrated Scheme for Agricultural Marketing (ISAM). The Agricultural Marketing Infrastructure (AMI) scheme is one such scheme that aims to strengthen marketing infrastructure and provide better facilities to farmers for the sale of their produce. The Government of India's Ministry of Agriculture and Farmers' Welfare launched the AMI Scheme in 2019. The scheme aims to build and strengthen the country's agricultural marketing infrastructure, including the establishment of new markets and the modernization of existing ones. The scheme will be implemented over a three-year period, from 2019-20 to 2021-22, with a total investment of Rs. 2000 crore.

### Objectives:

The AMI Scheme has the following objectives:

1. To create modern infrastructure facilities for the efficient marketing of agricultural produce.
2. To promote the development of agricultural markets in the country, including the creation of new markets and the modernization of existing ones.
3. To improve the quality of agricultural produce and ensure better prices for farmers.
4. To reduce the post-harvest losses and increase the shelf-life of agricultural produce.
5. To promote direct marketing and e-trading of agricultural produce.

### Components:

The AMI scheme has the following components:

1. Integrated Market Infrastructure Development (IMID): This component aims to create a robust market infrastructure by developing market yards, god owns, cold storage facilities, grading and sorting units, and other related facilities. The objective is to provide better facilities to farmers for the sale of their produce and reduce post-harvest losses.
2. Agricultural Marketing Infrastructure (AMI) Grant Fund: This component provides financial assistance to states for the development of marketing infrastructure. The assistance is given to the states in the form of grants-in-aid, and the states are expected to contribute a matching share of the funds.

3. **Research and Development (R&D):** This component aims to promote research and development activities in the field of agricultural marketing. The objective is to improve the quality of agricultural produce and develop new technologies for the storage and transportation of agricultural produce.
4. **Strengthening of Agri-Business Marketing Infrastructure (SAMI):** This component aims to provide assistance to private entrepreneurs for setting up agri-business marketing infrastructure. The objective is to promote private investment in the development of agricultural marketing infrastructure and create more job opportunities in rural areas.

### **Implementation:**

The AMI scheme is run by the Government of India's Ministry of Agriculture and Farmers Welfare. The scheme is being implemented in collaboration with state governments, and financial assistance is being provided to states in the form of grants-in-aid.

The Central Government will provide financial assistance of up to 60% of the total project cost. State governments and union territories will bear the remaining 40% of the cost. The funds will be released by the Central Government in two installments, with the first installment released at the time the project is approved and the second installment released after the project is completed.

### **The implementation of the scheme involves the following steps:**

1. **Identification of infrastructure gaps:** The first step is to identify the infrastructure gaps in the existing marketing infrastructure in the state.
2. **Preparation of a project report:** Based on the infrastructure gaps identified, the state government prepares a project report for the development of marketing infrastructure.
3. **Submission of project report:** The project report is submitted to the Ministry of Agriculture and Farmers Welfare for approval.
4. **Release of funds:** Once the project report is approved, funds are released to the state government for the implementation of the project.
5. **Monitoring and evaluation:** The implementation of the project is monitored and evaluated by the Ministry of Agriculture and Farmers Welfare to ensure that the objectives of the scheme are being met.

### **Impact:**

The AMI scheme has had a significant impact on the development of agricultural marketing infrastructure in the country. The scheme has helped in the creation of better facilities for farmers for the sale of their produce, reducing their post-harvest losses, and ensuring fair prices for their produce.

The scheme has also promoted private investment in the development of agricultural marketing infrastructure, which has created more job opportunities in rural areas.

The development of marketing infrastructure has led to the integration of markets, which has reduced the information asymmetry between buyers and sellers and has resulted in better price.



### **Eligible Entities:**

- Farmers, Individuals, Groups of Farmers/Growers,
- Registered FPOs/ FPCs, Partnership/ Proprietary firms

- Companies, Corporations, NGOs, SHGs
- Cooperative
- Cooperative Marketing Federations
- Autonomous Bodies of the Government
- Local Bodies (excluding Municipal Corporations for storage infrastructure projects)
- Panchayats
- State agencies including State Government Detriments and autonomous organization/ State corporations such as SAMBs and APMCs, SWCs, State Civil Supplies Corporations etc.

### **Eligible infrastructure projects:**

Storage infrastructure projects, Marketing infrastructure projects (other than storage) such as cleaning, grading, sorting, packing etc., common facilitation centre for FPOs, common facilities/ marketing infrastructure in the market yards (APMCs) and other value addition activities including Mini Oil expeller, Mini Dal mill, development/ upgradation to Rural Haats/ RPMs as Grameen Agricultural Market (GrAMs), infrastructure for direct marketing, stand-alone standardized cold storage units etc.

### **Products covered under the scheme:**

- o Agricultural and allied produce including:
  - o Horticulture livestock
  - o Poultry
  - o Fishery
  - o Bamboo
  - o Minor forest produces and such like produce supportive

### **Subsidy/ Grant:**

- \* The AMI scheme envisages Back-ended capital subsidy for credit linked investment in eligible storage and marketing infrastructure projects.
- \* North Eastern states, Sikkim, UTs of Andaman & Nicobar and Lakshadweep Islands, hilly areas – 33%
- \* For registered FPOs, Panchayats, Women, Scheduled Caste (SC)/Scheduled Tribe (ST) entrepreneurs or their co-operatives / SHGs – 33%
- \* For all Other categories of beneficiaries – 25%

### **Benefit:**

Some of the benefits of agricultural marketing infrastructure include:

1. Improved efficiency: Agricultural marketing infrastructure facilitates the efficient and timely movement of agricultural products from the farm to the market. This leads to reduced wastage, better quality products, and improved market access for farmers.
2. Increased income: With better market access and reduced wastage, farmers are able to sell their products at better prices, resulting in increased income.
3. Employment opportunities: Agricultural marketing infrastructure creates employment opportunities both in rural and urban areas. For example, the construction and maintenance of storage facilities, processing units, and transportation networks require labor.
4. Food security: Adequate agricultural marketing infrastructure ensures a steady supply of food to consumers, thereby enhancing food security.
5. Economic growth: Agricultural marketing infrastructure contributes to the overall economic growth

of a country by boosting the agricultural sector, which is a major contributor to the economy.

6. Export potential: With better marketing infrastructure, agricultural products can be processed and packaged for export, leading to increased foreign exchange earnings for the country.

#### **Document Required:**

- Sending a letter from the controlling or nodal office of the financing branch
- The complete address of the controlling or nodal office, as well as the financing branch, with phone and fax numbers
- The financing branch's advance subsidy claim application form
- A copy of the claim form, as well as all required documentation
- Subsidy claim application in advance
- A copy of the detailed project report, including cost, loan, total outlay, and margin details provided by the promoter, as well as the Financial Institution's technical and financial appraisal report
- The approved plan and civil drawings indicating the infrastructure project's dimensions and capacity.
- The financial institution's loan sanction letter, along with copies of invoices for the purchase of machinery or infrastructure project
- Land-related documents where the project will be established; and
- Financial Institution certificate on the Promoter's category.
- Notorised affidavit executed by the promoter on no judicial stamp paper, if it is a partnership firm,
- Copy of registered partnership deed, if it is a partnership firm,
- Memorandum and Articles of Association (MOA) and certificate of incorporation, if it is a company

#### **Conclusion**

The Agricultural Marketing Infrastructure (AMI) scheme aims to improve marketing infrastructure and provide better services to farmers in India for the sale of their produce. There are several components to the scheme, including the Integrated Market Infrastructure Development (IMID), Agricultural Marketing Infrastructure (AMI) Grant Fund, Research and Development (R&D), and Strengthening of Agri-Business Marketing Infrastructure (SAMI).

Farmers, individuals, groups of farmers/growers, registered FPOs/FPCs, partnership/proprietary firms, companies, corporations, NGOs, SHGs, cooperatives, cooperative marketing federations, autonomous bodies of the government, local bodies (except municipal corporations for storage infrastructure projects), Panchayats, state agencies including state government departments, and autonomous organizations/state corporations such as AP are eligible for the scheme.

Storage infrastructure projects, marketing infrastructure projects (other than storage), such as cleaning, grading, sorting, and packing, common facilitation centres for FPOs, common facilities/marketing infrastructure in market yards (APMCs), and other value addition activities such as Mini Oil expeller, Mini Dal mill, development/upgradation of Rural Haats/RPMs as Grameen Agricultural Market (Grammes), and infrastructure development.

The scheme's implementation entails identifying infrastructure gaps, preparing a project report, submitting the project report, releasing funds, and monitoring and evaluating. The scheme has had a significant impact on the development of agricultural marketing infrastructure in the country, resulting in market integration and a reduction in information.