

Animal Husbandry Infrastructure Development Fund

The Animal Husbandry Infrastructure Development Fund is the government's first big fund, and it encompasses a wide range of stakeholders, including Farmer Producer Organizations (FPOs), private dairy players, sole traders, and non-profits. It was released in June 2020.

Plants for the export of specialist or niche items will be rewarded with incentives. A niche product is one that caters to a specific segment of a broader market or sector. Niche items are frequently (sometimes not) more expensive than generic alternatives.

The fund will also help to set up animal feed factories of various capacities, such as mineral mixture plants, silage-making units, and an animal feed research laboratory.

Importance of Animal Husbandry

- The animal husbandry and dairy industries collectively employ over 100 million people. The socio-economic importance of these industries cannot be emphasized, given that the majority of establishments are located in rural India.
- The Animal Husbandry Infrastructure Development Fund [AHIDF] was introduced as part of a series of initiatives outlined by the central government to help this section of the economy.

Importance of the Dairy Value Chain

- The installation of bulk milk coolers at collection centres is urgently needed to improve chilling infrastructure. When the infrastructure requirements for milk processing and delivery are included, the total potential investment opportunity across the dairy value chain comes to Rs. 1,40,000 crores. There is also significant potential to boost cow production, particularly by increasing the quality of livestock feed.
- With this in view, the AHIDF Scheme was created to aid in the development of animal feed factories of various sizes. The 10-18 MMT infrastructure gap in the manufacture and distribution of affordable compound cow feed equates to a potential investment of about 5,000 crores.

Animal Husbandry Infrastructure Development Fund - Objectives

The primary objectives behind the setting up of the AHIDF were to;

- Increase the capacity of milk and meat processing and product diversification to give disorganised rural milk and meat farmers more access to the organised milk and meat market.
- Provide the producer with increased price realisation
- Make wholesome milk and meat products available to home consumers
- Achieve the goal of meeting the country's rising population's needs for high-quality, protein-enriched food and stopping malnutrition in one of the world's greatest populations of malnourished children
- Foster entrepreneurship and create jobs.
- Promote exports and boost the sector's export contribution in the milk and meat industries to make premium concentrated animal feed accessible to cattle, buffalo,

sheep, goats, pigs, and poultry, who can then be fed a balanced diet at reasonable costs.

Animal Husbandry Infrastructure Development Fund [AHIDF] Benefits

There are several benefits of availing of the Animal Husbandry Infrastructure Development Fund:

1. The beneficiaries are required to invest a minimum of 10% of their margin money. The remaining 90% would be a loan component that would be made available through scheduled banks.
2. Eligible beneficiaries will receive a 3% interest subsidy from the Indian government.
3. There will be a two-year moratorium on the main loan amount, followed by a six-year repayment period.
4. Credit guarantees would be granted out from Credit Guarantee Fund to sanctioned projects that fall within MSME stipulated limitations. Guarantee coverage will be up to 25% of the borrower's credit facility.

Animal Husbandry Infrastructure Development Fund [AHIDF]: Funding and Beneficiaries

The AHIDF has been allocated in the following manner;

- The availability of cash to cover the initial investment needed for the projects would be ensured by the INR 15,000 crore AHIDF as well as the interest subvention programme for private investors. These initiatives will also help improve overall returns/payback for investors.
- The Indian government will grant eligible recipients a 3% interest subsidy. The principal loan amount will have a 2-year moratorium period, and there will be a subsequent 6-year repayment period.
- Additionally, a 750 crore Credit Guarantee Fund would be established and run by NABARD. All approved projects that fall under the MSME-specified ceilings will be given a credit guarantee. Guarantee coverage would amount to up to 25% of the borrower's credit facility.
- The Emergency Credit Line Guarantee Scheme (ECLGS), introduced as part of the Atma Nirbhar Bharat package for MSME borrowers to lessen the distress brought on by the COVID-19 pandemic, can be read about by prospective candidates by visiting the linked article.
- The beneficiaries of the AHIDF Scheme are:
 - Private enterprises
 - Farmer Producer Organization (FPO)
 - Individual business owners
 - Companies that fall under Section 8
 - Micro, small, and medium-sized businesses

Application Process for the AHIDF Scheme

Beneficiaries who wish to invest in meat and dairy processing and value-added infrastructure, as well as the improvement of existing infrastructure, can apply for a loan through SIDBI's "Udyami Mitra" portal.

Whilst it overhauls domestic infrastructure to provide India's dairy and animal products greater prominence in the global value chain, the Animal Husbandry Infrastructure Development Fund has the opportunity to generate over 30 lakh jobs.

