

## AGRICULTURAL CREDIT

### What to do?

- ◆ To save themselves from the clutches of money lenders, farmers can avail loan facility from banks.
- ◆ Loan facility is available through a large network of Commercial Banks, Regional Rural Banks (RRBs) and Cooperative Credit Institutions in the country to fulfill the crop loan and term loan needs of the farmers.
- ◆ Ensure timely repayment of bank loan.
- ◆ Proper record of loan should be maintained by farmer.
- ◆ Utilize the bank loan for actual purpose for which bank loan is taken.



### What You Can Get?

#### A: Credit Facility to Farmers

S.No.	Credit Facility	Quantum of Assistance
1	Interest Assistance Collateral/ security-free loan	Crop loan upto Rs.3 lakhs at 7% rate of interest. This interest rate becomes 4% due to 3% interest subvention incentives provided to those farmers who repay crop loan on time  No need of collateral security for farm loan up to Rs.1 lakh
2	Kisan Credit Card	Farmers can avail crop loan through Kisan Credit Card. Loan /credit limit is fixed on the basis of crop sown and area under cultivation. Kisan Credit Cards are valid for 3-5 years. Farmers are also provided risk coverage in the event of accidental death/disability. Crop coverage loans are covered under the Crop Insurance Scheme.
3	Investment Loan	Loan facility to the farmers is available for investment purposes in the areas viz. Irrigation, Agricultural Mechanization, Land Development, Plantation, Horticulture and Post-Harvest Management

**B : Price Policy for Agricultural Commodities – Price Support Scheme (PSS) for Procurement of Oilseeds, Pulses & Cotton under Minimum Support Price (MSP)**

Name of the Scheme	Objectives	Beneficiary	Implementing Agency	Commodities covered under Scheme	Likely Benefit to the growers	Pattern of Assistance
Price Support Scheme (PSS)	To provide remunerative/ guaranteed prices to the oilseeds, pulses & cotton growers in case of price fall below the Minimum Support Price (MSP) declared by Government of India in both crop seasons i.e. Rabi & Kharif every year.	All the oilseeds, pulses & cotton growers of the country.	(i) Central Agencies - NAFED & Small Farmers Agri-business Consortium (SFAC). (ii) State Agencies – State Cooperative Marketing/ Commodities Federations and any other organization appointed by the Central Agencies at State Level. (iii) Primary Agencies – Cooperative Marketing Societies, Farmer Producer Organizations (FPO), Farmer Producer Companies (FPC) at village level.	Arhar (Tur), Moong, Urad, Cotton, Groundnut in Shell, Sunflower Seed, Soyabean, Sesamum, Nigerseed, Gram, Masur (Lentil), Rapeseed/Mustard, Safflower, Toria, Copra	Through Price support Scheme (PSS) operations, farmers are assured to get minimum guaranteed price in case the market price of that particular commodity falls below the MSP	(i) Farmers– MSP for the specific commodity is fully paid to the farmers, in case the prices rule below the MSP. (ii) Central Agencies – Losses incurred to the central agencies are fully reimbursed by the Government of India. Besides, service charges @ 2.5% on the procurement cost for Copra and 1.5% for oilseeds, pulses & cotton are also paid to the central agencies. (iii) State /Primary Agencies – The difference between MSP and Ruling Price along with all expenses up to the storage points are paid to the State agencies by Central agencies/Government of India. Besides, 1% service charge at the ex-godown cost is also paid.

### **Whom to Contact:-**

1. Joint Secretary (Cooperation), Department of Agriculture Cooperation and Farmers Welfare, Krishi Bhawan, New Delhi.
2. Regional Offices of NAFED & SFAC located in State Capitals.
3. District Level Offices of Cooperative Marketing/Commodities Federations.
4. Marketing Cooperative Societies at Tehsil Level and FPOs /FPCs at Block Level.

### **When to Contact:-**

The MSP of oilseeds, pulses & cotton are declared by Government of India in the month of June and October (twice in a year) before the sowing of Rabi & Kharif Crops so that the farmers can take a considered view on sowing these crops. At harvesting time, farmers can compare the market price prevailing in the area with the MSP declared by Government of India and if the market price falls below the MSP, he / she may immediately approach the above mentioned authorities for procurement operations.

