

## **STRENGTHENING OF THE FARM THROUGH CREDIT DELIVERY SYSTEM TO SUPPORT THE RESOURCE REQUIREMENTS OF THE AGRICULTURAL SECTOR**

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### **Abstract:**

The Government has taken many policy initiatives for strengthening of the farm credit delivery system for providing credit at lower rates of interest to support the agricultural sector. The emphasis of these policies has been on providing timely and adequate credit support to farmers with particular focus on small and marginal farmers of society to enable them to adopt modern technology and improved agricultural practices for increasing agricultural production and productivity. The policy essentially lays emphasis on augmenting credit flow at the ground level through credit planning, adoption of region specific strategies, rationalization of lending policies and procedures and bringing down the rate of interest on farm loan.

**Keywords:** Kisan Credit Card, Interest Subvention Scheme, PM Kisan, etc.

### **INTRODUCTION:**

The Scheme of Kisan Credit Card was launched jointly by the Government of India, RBI (Reserve Bank of India), and NABARD (National Bank for Agricultural and Rural Development) in 1998-99 to help the farmers to access timely and adequate credit. KCC is implemented by Commercial Banks, Cooperative Banks and Rural Regional Banks (RRBs) under the overall guidance of the Department of Financial Services. The Reserve Bank of India had issued a master circular on implementation of the KCC scheme followed by additional instructions from time to time.

### **OBJECTIVES:**

- To adopt modern technology.
- To improved agricultural practices.
- For increasing agricultural production and productivity.
- To provide insurance coverage and financial support to the farmers in the event of failure of crops as a result of natural calamities, pests and diseases.
- To support and stimulate primarily production of food crops and oil seeds.

### **DATA BASE AND METHODOLOGY:-**

#### **DATA BASE**

The present study realizes upon secondary data, concerning Schemes department collected data used for the period of implantation of both schemes. The primary data collected from different sources for which special questionnaires will design. Information will collected through various government offices.

## **METHODOLOGY:-**

In the present study the data will collect from different sources. The statistical treatment will be given to data and find the results in the form of maps and diagrams. Researchers will analysis the relevant information. Research Paper, Journal, Annual Report Department of Agriculture and Farmers Welfare Government of India.

## **KISAN CREDIT CARD SCHEME (KCC)**

The Government of India is actively involved in the promotion of the KCC scheme with a view to provide easy access to concessional institutional credit to farmer. Several steps have been taken to simplify the procedure to enable access to KCC. The KCC scheme along with the benefit of IS & PRI has been extended to farmers practicing Animal Husbandry and Fisheries. All charges including processing fee, inspection & ledger folio charges and all other service charges have been waived off for fresh issue/renewal of KCC, collateral free agriculture loan limit has been raised from Rs.1.00 lakh to Rs.1.60 lakh. Standardised application form for KCC has been designed for easy understanding of farmers and a time limit of 14 days (from receipt of the farmer's application has been fixed) to provide KCC to all eligible farmers.

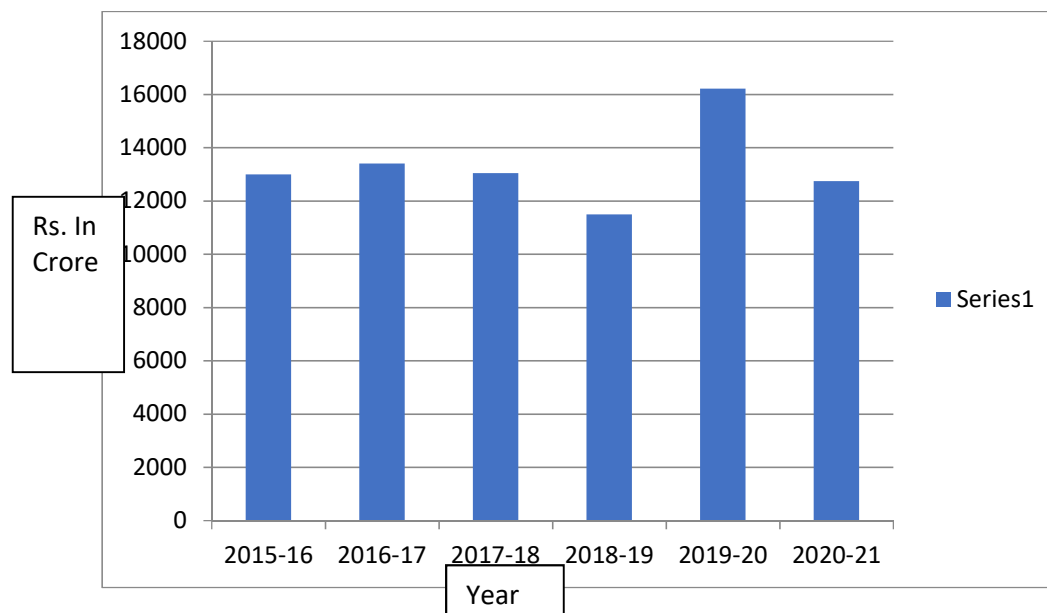
## **INTEREST SUBVENTION SCHEME (ISS)**

The Interest Subvention Scheme (ISS) was launched in the year 2006-07 with a view to provide concessional short term crop loans including loan availed through Kisan Credit Card (KCC) to the farmers. ISS is available to farmers availing short term agri loans upto Rs.3.00 lakh at an interest rate of 7% per annum for one year. The short term agri loans include Crop Husbandry, Animal Husbandry, Dairying and Fisheries. Additional 3% subvention is also given to farmers for prompt and timely repayment of loans; the same gets reduced to 4% per annum. The benefits of ISS can also be availed by farmers in allied activities like Animal Husbandry and Fisheries and those farmers who already possess KCC within the overall limit of Rs.3.00 lakh. New KCC can be issued to Animal Husbandry and Fisheries farmers with provision of benefit of IS & PRI for loan amount upto Rs.2.00 lakh per annum. Interest subvention of 2% and prompt repayment incentive of 3% on restructured crop loans to farmers affected by severe natural calamities for a maximum period of 5 years on the basis of report of Inter-Ministerial Central Team (IMCT) for grant of NDRF assistance and SubCommittee of National Executive Committee (SC-NEC) is also available. Further IS of @ 2 % is available to Small and Marginal Farmers (SMFs) having Kisan Credit Card (KCC) on post harvest loans against Negotiable Warehouse Receipts (NWRs) i.e. at the same rates as applicable to crop loans for a period of up to six months post harvest.

Details of funds released during the last five years and current financial year are as under:

**(Rs.in crore)**

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
13000	13397.13	13045.72	11495.67	16218.75	12744.11



## CONCLUSION

To bring the maximum number of farmers under KCC so that they can get loan at a cheaper rate through the ISS scheme, the Government has been running a campaign for saturation of KCC to farmers since, February, 2019. The Govt has further taken up the task of covering 2.5 lakh crore PM KISAN beneficiaries under KCC in a mission mode. Since February, 2020, a renewed saturation drive is being run to cover all left over PM KISAN beneficiaries. As a result, in addition to the existing 6.86 crore active KCCs holders, 167.67(01.01.2021) lakh new KCCs have been sanctioned since, February, 2020.

Kisan Credit Card is one of the most innovative, widely accepted, highly appreciated and nondiscriminatory banking product, with the aim to finance the agricultural sector. The paper observed that Kisan Credit Card within a short span of time has established itself as a fairly popular credit facility among the farming community. It is expected that this would help the farmers to gain easy and timely access to much desired institutional credit and the KC Card has been appreciated AND ACCEPTED BOTH BY THE BANKERS AS WELL AS THE FARMERS.

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