

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6216

ANSWERED ON:06.05.2005

NEW SCHEME FOR FARMERS

Ansari Shri Furkan;Dhanaraju Dr. K.;Narhire Smt. Kalpana Ramesh

Will the Minister of FINANCE be pleased to state:

- (a) whether Corporation Bank has formulated a new scheme to provide loan to the farmers for their development;
- (b) if so, the details thereof and whether any maximum loan limit has been fixed under the said new scheme;
- (c) if so, the details thereof;
- (d) whether other Public Sector Banks have also launched special incentivesscheme for providing loan to farmers; and.
- (e) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a),(b) and (c): Yes, Sir, The Corporation Bank has launched `Corp Agriculture Produce Loan (CAPL) Scheme` for the farmers under which the farmers can avail loan against the warehouse receipt covering the agriculture produce to avoid distress sale by the farmers. The scheme is aimed at mitigating the potential losses being incurred by the farmers and to expand the scope for extending finance to the traders in agriculture commodities.The salient features of the scheme are as under:-

(i) Eligibility- Farmers who have availed crop loan facility from Corporation Bank for raising crop or farmers who have availed crop loan facility from any other banks and their accounts are regular or Traders holding valid licence for carrying on the trade for a minimum period of 1 year.

(ii) Loan amount- Minimum loan amount is Rs.10,000/- and the Maximum limit is Rs.20.00 lakh , against the agriculture produce stored only in the warehouses of the Central Warehousing Corporation, State Warehousing Corporation and the warehouses having approval of the national level multi commodity exchanges.

(iii) Rate of interest- Loans up to Rs. 2.00 lakh can be availed at 9% and loans above Rs.2.00 lakh will attract 9.50% p.a.

(d) and (e): All the Public Sector Banks are implementing one or the other agriculture credit scheme under which credit/advance is extended for farm sector and its allied activities.