

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:237  
ANSWERED ON:19.11.2007  
LOANS AGAINST FOODSTOCK  
Oraon Dr. Rameshwar

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the Government proposes to extend loans against the stock of the foodgrains being left with farmers in some States;
- (b) if so, the details thereof; and
- (c) the steps taken or proposed to be taken in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) to (c): The banks in the country have been permitted by the Reserve Bank of India to extend loans to the farmers against pledge/hypothecation of agriculture produce (including warehouse receipts). National Bank for Agriculture and Rural Development (NABARD) provides separate line of credit for Marketing of Crops to Cooperative Banks and Regional Rural Banks (RRBs). As per the scheme, the farmers can be sanctioned marketing credit equal to 75% of the produce pledged to the bank. Advance is sanctioned against pledge of produce kept in own/hire/private godowns or godowns of PACS/Marketing Societies, warehouses, cold storage units owned by cooperative/other institutions. The produce pledged should be in effective custody of the financing bank/cooperative society/marketing society.