

### Flow of Agricultural Credit

8.56 To ensure flow of credit to the agriculture sector, a share of 18 per cent of net bank credit is targeted for lending to agriculture by all commercial banks. The National Bank for Agriculture and Rural Development (NABARD), which is the apex organisation in the field of rural credit has taken several initiatives for facilitating flow of credit to the agricultural sector. Notable development in recent years is the introduction of Kisan Credit Card Scheme in 1998-99, which is regarded as an innovative scheme to facilitate rural lending.

8.57 With a view to ensuring that flow of credit to agriculture increases substantially, RBI has evolved a scheme in which they have advised the banks that they should prepare an annual action plan for disbursement of credit to agriculture under different heads. Accordingly, each bank is preparing Special Agricultural Credit Plan (SACP), segregated

into quarterly targets, which is being monitored by the RBI. As per guidelines, every year banks should plan for at least 25 per cent growth in disbursements over the previous year. The performance of the Public Sector Banks under this Scheme for the last five years is shown in Table 8.23.

Year	Target	Achievement	Percentage
1996-1997	14253	12783	89.7
1997-1998	16069	15831	98.5
1998-1999	18504	18443	99.7
1999-2000	21308	19755	92.7
2000-2001	24693	N.A	N.A.

Tractors			Power Tillers		
States	Sale* in 1999-2000	Cumulative* Sale 1993-94 to 1999-2000	States	Sale* in 1999-2000	Cumulative* Sale 1993-94 to 1999-2000
Uttar Pradesh	69665	314644	West Bengal	5270	23734
Madhya Pradesh	28815	173886	Tamil Nadu	2644	13768
Punjab	27679	170589	Karnataka	1649	10850
Haryana	21100	140753	Assam	1506	8993
Gujarat	17747	123031	Kerala	1536	6902
Rajasthan	26664	108651	Andhra Pradesh	1142	4716
Maharashtra	18742	96838	Maharashtra	477	2925
Bihar	13230	86258	Orissa	970	2627
Andhra Pradesh	16911	76672	Tripura	289	2160
Tamil Nadu	9554	66024	Gujarat	290	1794
Other States & Export	23075	120786	Other States & Export	1064	6752
<b>Total</b>	<b>273182</b>	<b>1478132</b>	<b>Total</b>	<b>16837</b>	<b>85221</b>
* Provisional					

8.58 Apart from substantial expansion in the flow of credit by Commercial banks and Regional Rural Banks (RRBs), the Co-operative Credit Institutions continue to be important institutional agencies for providing credit support and services for agricultural and rural development. Agency-wise disbursement of Agricultural Credit from 1996-97 to 1999-2000 and projection for 2000-2001 is given in Table 8.24. The flow of institutional credit for agriculture and allied activities has increased from Rs. 26,411 crore in 1996-97 to Rs. 44,612 crore in 1999-2000. The total credit flow from

all agencies is expected to go up to Rs. 51,460 crore by 2000-2001.

### Kisan Credit Card Scheme

8.59 The Kisan Credit Cards Scheme, introduced in 1998-99, is an innovative mechanism for facilitating short-term credit to farmers. The scheme has gained popularity and its implementation has been taken up by 27 Commercial Banks, 334 Central Cooperative Banks and 187 Regional Rural Banks. The progress in issue of Kisan Credit Cards and credit sanction upto December 2000 is listed in Table 8.25.

Institutions	1996-97	1997-98	1998-99	1999-2000*	1999-2001@
<b>Co-operative Banks</b>	<b>11,944</b>	<b>14,085</b>	<b>15,957</b>	<b>1,8429</b>	22,706
Short-term	9328	10,895	12,571	14,648	17,598
Medium/Long-term	2616	3,190	3,386	3,781	5,108
<b>Regional Rural Banks</b>	<b>1,684</b>	<b>2,040</b>	<b>2,460</b>	<b>3,329</b>	<b>4,061</b>
Short-term	1121	1,396	1,710	2,517	2,412
Medium/Long-term	563	644	750	812	1,649
<b>Commercial Banks</b>	<b>12,783</b>	<b>15,831</b>	<b>18,443</b>	<b>22,854</b>	<b>24,693</b>
Short-term	6549	8,349	9,622	11,697	10,973
Medium/Long-term	6234	7,482	8,821	11,157	13,720
<b>Total</b>	<b>26,411</b>	<b>31,956</b>	<b>36,860</b>	<b>44,612</b>	<b>51,460</b>
<b>Per cent increase</b>	<b>20</b>	<b>21</b>	<b>15</b>	<b>21</b>	<b>15</b>
* Estimated	@ Projection				

Agency	1998-99		1999-2000		2000-01 (upto 31 December, 2000)		Cumulative Progress (upto 31 December, 2000)@	
	Cards issued (lakh No.)	Amount sanctioned	Cards issued (lakh No.)	Amount sanctioned	Cards issued (lakh No.)	Amount sanctioned	Cards issued (lakh No.)	Amount sanctioned
Coop.Banks	1.55	826	38.50	4432	31.97	7573	71.02	12831
RRBs	0.06	11	1.80	416	4.06	954	5.92	1381
Comm.Banks*	6.24	1477	13.68	2548	11.56	2985	31.48	7010
<b>Total</b>	<b>7.85</b>	<b>2314</b>	<b>53.98</b>	<b>7396</b>	<b>47.59</b>	<b>11512</b>	<b>108.42</b>	<b>21222</b>
* Data available upto 31 October 2000.	@ Provisional							

## Recovery

8.60 There has been some marginal improvement in recovery of loans availed of by Agri sector, though there is scope for improvement (Table 8.26).

<b>TABLE 8.26</b>					
<b>Agricultural Advances – Recovery</b>					
<i>(Per cent)</i>					
<b>Institution</b>	<b>1995- 96</b>	<b>1996- 97</b>	<b>1997- 98</b>	<b>1998- 99</b>	<b>1999- 2000</b>
Commercial Banks	62.0	63.3	66.1	66.8	N.A.
District Central Cooperative Banks	69.0	70.0	70.0	70.0	69.24*
Regional Rural Banks	55.0	57.0	61.0	64.0	N.A.
<b>* Provisional</b>	<b>N.A. - Not available</b>				