

## Flow of Agricultural Credit

8.42 The flow of institutional credit for agriculture and allied activities which was Rs 31,956 crore in 1997-98 is estimated to have increased to Rs 53,504 crore in 2000-01. The total credit flow from all agencies is projected to reach a level of Rs 66,771 crore by 2001-02 (Table 8.20). The total credit flow to agriculture during the period 1997-2002 is likely to be of the order of Rs 2,33,703 crore which is close to the IX plan projection of Rs 2,29,750 crore.

8.43 The share of total credit flow from commercial banks to agriculture rose from 50 per cent in 1997-98 to 52 per cent in 2000-01. It is expected to retain its share at 52 per cent during 2001-02. The share of Co-operative Credit Institutions, in credit support for agriculture declined from 44 per cent in 1997-98 to 41 per cent in 2000-01. The share of RRBs has stayed around 6-7 per cent.

8.44 At the suggestion of RBI, each bank is preparing a Special Agricultural Credit Plan (SACP) segregated into quarterly targets, which is monitored by the RBI. As per the guidelines, banks should plan for at least 25 per cent growth in disbursements over the previous year.

## Kisan Credit Card Scheme

8.45 The Kisan Credit Card Scheme, introduced in 1998-99, is an innovative mechanism for facilitating access to short term credit to farmers. The Scheme has gained popularity and its implementation has been taken up by 27 Commercial banks, 373 District Central Co-operative Banks/State Cooperative Banks (two tier structure) and 196 Regional Rural Banks throughout the country. As on November 30, 2001, 20.4 million Kisan Credit Cards involving credit sanctions of Rs 43,392 crore had been issued (Table 8.21). Cooperative Banks accounted for 66 percent of Kisan Credit Cards followed by Commercial Banks (27 percent) and RRBs (7 per cent). Personal insurance cover for accidental death or permanent disability for KCC holders has also been finalised.

## New Schemes Introduced During the Year

8.46 As announced in the union Budget for 2001-02, NABARD had in consultation with the Ministry of Agriculture introduced a scheme for financing setting up of Agri-Clinics and Agri-Service Centres. Apart from extending refinance facilities to banks, NABARD has also provided for margin money assistance through banks on

**TABLE 8.20**  
**Flow of Institutional Credit to Agriculture**

Institutions	(Rs crore)				
	1997-98	1998-99	1999-2000#	2000-01\$	2001-2002@
<b>Co-operative Banks</b>	<b>14,085</b>	<b>15,957</b>	<b>18,429</b>	<b>21,909</b>	<b>27,080</b>
Short-term	10,895	12,571	14,648	17,700	21,542
Medium/Long-term	3,190	3,386	3,781	4,209	5,538
<b>Regional Rural Banks</b>	<b>2,040</b>	<b>2,460</b>	<b>3,329</b>	<b>3,807</b>	<b>4,956</b>
Short-term	1,396	1,710	2,517	2,778	3,415
Medium/Long-term	644	750	812	1,029	1,541
<b>Commercial Banks</b>	<b>15,831</b>	<b>18,443</b>	<b>22,854</b>	<b>27,788</b>	<b>34,735</b>
Short-term	8,349	9,622	11,697	14,222	17,778
Medium/Long-term	7,482	8,821	11,157	13,566	16,957
<b>Total</b>	<b>31,956</b>	<b>36,860</b>	<b>44,612</b>	<b>53,504</b>	<b>66,771</b>
Per cent increase	21	15	21	20	25
# Provisional	\$ Estimated	@ Projections			

soft terms to needy entrepreneurs. The Scheme is expected to provide employment to agriculture graduates apart from improving extension services and technology support to farmers. A Scheme for financing purchase of land for small and marginal farmers has been introduced by

Public Sector Banks. NABARD refinance has been made available for this Scheme also. The Scheme would help tenant farmers, share croppers and small farmers to consolidate their land holdings.

<b>Table 8.21</b>										
<b>Number of Kisan Credit Cards Issued and Amount Sanctioned</b>										
(Rs crore)										
	<b>1998-1999</b>		<b>1999-2000</b>		<b>2000-2001</b>		<b>2001-02 (up to Nov. 2001)</b>		<b>Comulative Progress (up to Nov. 2001)</b>	
<b>Agency</b>	Cards Issued (*000)	Amount Sanc- tioned	Cards Issued (*000)	Amount Sanc- tioned	Cards Issued (*000)	Amount Sanc- tioned	Cards Issued (*000)	Amount Sanc- tioned	Cards Issued (*000)	Amount Sanc- tioned
<b>Coop. Banks</b>	155	826	3,595	3,606	5,614	9,412	4,148	12,465	13,512	26,309
<b>RRBs</b>	7	11	173	405	648	1,400	566	1,528	1,394	3,344
<b>Commercial. Banks</b>	445	1,247	1,366	3,537	2,390	5,615	1,309*	3,340*	5,510*	13,739*
<b>Total</b>	<b>607</b>	<b>2,084</b>	<b>5,134</b>	<b>7,548</b>	<b>8,652</b>	<b>16,427</b>	<b>6,023</b>	<b>17,333</b>	<b>20,416</b>	<b>43,392</b>
* Position upto September 2001										