

Sources of Agricultural Credit.

Several financial institutions have been established to provide credit/loans on time to the farmers in which Regional rural banks, NABARD, commercial banks and cooperative banks are important.

1. Regional Rural Banks - These banks came into existence on the ^{joint} recommendations of the central and state governments. For the first time in 1975 five regional rural banks were established which have risen to 196 in 2005. It is 90 percent branches were opened in rural areas. These banks provide loans and credit to farmers living below the poverty line.

2. Co-operative Credit Societies.

Co-operative credit societies provide cheap loans on low interest rates to the meet to financial assistance to the farmers. They also provide necessary guidelines to make future planning of agriculture to the farmers.

Main objectives of the co.c. societies (CCS)

1. To provide sufficient credit facilities to the farmers.
2. To discourage Mahajan System in rural areas.
3. To remove regional imbalance in credit facilities.

3. NABARD

NABARD came into existence in 1982. It is apex of the credit institutions in India.

The bank has been entrusted with matters concerning policy, planning, and operations in the field of credit for agriculture and other economic activities in rural India.

The NABARD is taking the necessary steps to revitalize and rejuvenate the rural economy of India by developing agriculture, small scale and cottage industries and trade activities in all possible ways.

4. Rural Infrastructure Development Fund (RIDF)

To increase the public capital formation (निवेश) the government has established RIDF in 1995-96. This gives financial assistance to state government and local bodies of the state to complete various projects of rural areas.

5. Cooperative Development Fund :- In the year 1993 NABARD has established this fund. Its main aim is to provide fund to various credit institutions, Human Resource Development, etc.

6. Small Finance Institution (सूक्ष्म वित्त संस्थान). On the direction of the RBI in 2000, the commercial banks and regional rural banks provide loan/credit to this institution to cope the needs of the farmers.

7. KCC (Kisan Credit Card) :- In 1998-99 this credit card was started. NABARD has also provided assistance to increase its level best.

8. National Agricultural Insurance Scheme / Yojna

In April 1985 Central Agriculture Ministry has started Fasal Bima Yojna on broad level to meet the needs of the farmers in case of damage of crops due to drought or floods or other natural calamities.