

PRODUCE (MARKETING) LOAN SCHEME

PURPOSE: To meet short term credit requirement to adjust /repay the outstanding KCC limit availed by farmers from the branch and to procure better price by storing farm produce and selling it at favorable price within a specified period.

ELIGIBILITY: All the farmers irrespective of whether they were given crop loans for raising the produce or not will be eligible for advances. However where the farmers have availed KCC facility for crop production /composite cash credit limit from our bank for raising the crops, the same should not be overdue for repayment and this limit should be recovered/adjusted out of the Produce (Marketing) Loan.

Loan against hypothecation of produce stored at the Farmers' own premises will be allowed only to the farmers who have availed crop loan from our Bank. Other farmers will be financed only against pledge of warehouse/cold storage receipts.

EXTENT OF LOAN:

Maximum loan upto Rs.50 lakh.

75 per cent of value of the minimum support price or current market price whichever is lower at the time of disbursement.

REPAYMENT: Repayment within a maximum period of twelve months from the date of disbursement. Insurance of stock hypothecated to bank should be done as per bank rule including quality deterioration clause for loan exceeding Rs.10,000/-.