

## **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 favourable 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:** Loans against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months subject to a limit up to ₹75 lakh against NWRs/ eNWRs and up to ₹50 lakh against warehouse receipts other than NWRs/ eNWRs.
- **REPAYMENT:** Loan shall be repaid within a maximum period of twelve months from the date of its disbursement. The benefit of concessional rate of interest and additional subvention (for loan upto Rs. 3 lakh) given shall be restricted to loans repaid within 6 months only.

Insurance of stock hypothecated to bank should be done as per bank rule including quality deterioration clause for loan exceeding Rs. 10,000/-.