

## Farmers Interpretation of the Kisan Credit Card Program

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### SUMMARY

Agriculture is a significant part of our economy, accounting for 14% of GDP and employing nearly two-thirds of the workforce. Agricultural credit is a strategy that has been crucial to the agricultural industry's growth. The farmer was able to receive short-term financing, which he or she might use to purchase inputs and other services. The Kisan Credit Card is a credit card designed to provide affordable credit to Indian farmers. The Indian government, the Reserve Bank of India (RBI) and the National Bank for Agricultural and Rural Development (NABARD) established it in 1998-99 to help farmer's access timely and sufficient financing.

### INTRODUCTION

Agriculture is a significant part of our economy, accounting for 14% of GDP and employing about two-thirds of the workforce. Because villages account for 60-65 percent of the population, India is known as the "Village Country." The huge majority of farmers are impoverished and hold less than one acre of land. Farmers' incomes are poor in both the country and the study area, therefore they are unable to meet their fundamental necessities. In order to cultivate the land, they needed a specific amount of credit. Agricultural credit is a tool that has played a critical role in the growth of the agricultural industry. It allowed the farmer to obtain short-term credit, which he or she might use to buy inputs and other services. Farmers prefer short- and medium-term loans in general, however some major farmers are used to long-term borrowing to meet their needs for agricultural supplies, raw materials and other agriculturally related operations. The Green Revolution in Indian agriculture is an excellent illustration of how financial institutions can help the agricultural industry expand inputs such as fertilizer, irrigation, pesticides, chemicals and capital.

### Kisan Credit Card Scheme:

India, as a predominantly agricultural country, requires continuous efforts to strengthen rural and agricultural credit services throughout time. As part of these efforts, agricultural credit cards and cash credit facilities were introduced into the financial sector. The National Bank for Agriculture and Rural Development (NABARD) developed a model scheme for issuing Kisan Credit Cards (KCC) to farmers in consultation with major banks, allowing them to easily purchase agricultural inputs like seeds, chemical fertilizer, pesticides, agricultural implements and cash for their production needs. Kisan Credit Cards, a pioneering credit delivery innovation, promises to provide farmers with enough and timely support from the banking system for their cultivation needs, including the purchase of important agricultural supplies in a flexible and cost-effective manner. Some banks introduced the programme in 1998–1999 and all other banks followed suit in 1999–2000. The Kisan Credit Card was created to meet all of a farmer's short-term credit needs, including crop loans and other production credit, working capital and non-farm short-term requirements. The goal of this strategy was to provide enough credit to farmers through the "Single Window of Kisan Credit Cards" to cover all of their short-term needs.

### Key Features of the Kisan Credit Card Program:

- Farmers who are eligible will receive a Kisan Credit Card as well as a pass book or card-cum-pass book.
- A revolving cash credit facility that allows you to make as many withdrawals as you like while staying within the limit.
- The limit will be set based on operational land holdings, cropping patterns and financial resources.
- Take into account the entire production credit requirement for the entire year, as well as supplementary crop production activities, when determining the limit.
- The card is valid for three years and is subject to annual renewal at the decision of the banks.
- To account for cost rises, crop fluctuations and other considerations, credit limits could be extended as a reward for excellent performance.
- Each drawl must be paid back within a 12-month period.

- In the event of agricultural losses due to natural disasters, loan conversion/rescheduling is also an option.
- Security, margins, and interest rates, among other things, are all prescribed by the RBI.
- At their decision, banks may operate through issuing branches (including, in the case of cooperative banks, PACS) or other specified branches.
- Withdrawals are made using slips/cheques, a card and a passbook.

#### **Benefits of the Kisan Credit Card Program:**

- Farmers have timely and adequate credit, and the borrower's credit needs for the entire year are met.
- Simplified bank withdrawal paperwork and reduced paperwork.
- The opportunity to quickly withdraw funds and purchase inputs.
- Availability of funds at all times, allowing farmers to pay less in interest.
- The facility will be sanctioned for three years, with an annual review and suitable operations and enhancement provisions.

#### **CONCLUSION**

According to the analysis, commercial banks' financial aid through the Kisan credit card system has increased, but loans from the District Central Co-operative Bank have decreased in response to farmer demands, because farmers are not receiving adequate benefits.

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