

## Press Release - Ground Level Credit Flow to Agriculture

In line with the announcement of the Farm Credit Package made by the Central Govt in June 2004 to double the flow of credit to agriculture over a period of three years effective from 2004-05, the Union Budget for 2006-07 had set a target of Rs.1, 75,000 crore of credit flow to the agriculture sector for the year. Against this target, the disbursement by all banks during 2006-07 (provisional figure) was Rs.2, 03,296 crore, a modest growth of 13 per cent over the disbursement during the previous year at Rs.1, 80,486 crore. The Commercial Banks, Co-operative Banks and Regional Rural Banks disbursed Rs.1, 40,382 crore, Rs.42, 480 crore and Rs.20,434 crore against the target of Rs.1,19,000 crore, Rs.41,000 crore and Rs.15,000 crore respectively. Thus, while the Co-operative Banks and Commercial Banks have recorded a modest growth of 7 % and 12 % respectively over the previous year, the RRBs have recorded an impressive growth of 34 % during the year. Further, during the period, 70.69 lakh new farmers were brought into the institutional credit system, which exceeds the target of 50.00 lakh set for the year.

For the year 2007-08, the Hon'ble Finance Minister has announced that all the three agencies i.e., Commercial Banks, RRBs and Cooperative Banks together would disburse credit for agriculture sector to the extent of Rs.2, 25,000 crore, besides coverage of 50 lakh new farmers by the Commercial Banks and RRBs during the year.