

-: PRODUCE MARKETING LOAN SCHEME:-

Objective	To provide certain amount of liquidity to the farmers and save them from resorting to distress sale of their produce at the time of harvesting
Eligibility	All farmers having Kisan Credit Card (KCC) for Crop Loans.
Crop to be covered	The loan against Pledge/Hypothecation of agriculture produce will be available for all non perishable crops under the scheme.
Loan limit	To the extent of 60% to 80% of the market value/value at minimum
Margin	20% to 40% as the case may be
Repayment Period	To be repaid within a maximum period of 12 months from the date of its disbursement
Rate of interest	As applicable to Production Credit (Crop Loans) from time to time
Interest subvention	In case of Small & Marginal farmers interest subvention will be available up to total loan limit of Rs. 3.00 lacs
Security	The loan will be secured by hypothecation/pledge of agriculture produce stored with the cultivator or by the pledge of Warehouse Receipts/Rural Godown receipts, if the produce is stored by him in Warehouse/Rural Godowns.
Documents	<ol style="list-style-type: none"> 1. Agriculture Loan application –SBBJ/F 1020 2. AB-1 Hypothecation Agreement 3. DP note for loan amt. 4. DP note delivery letter
Insurance	If stocks are kept in Warehouse/Rural Godown, insurance requirements of the storage institution have to be complied with. Godown rent, insurance & other charges will be paid by borrower before loan sanction.
Discretionary Powers	Same as those prescribed for Crop Loans.
Inspection	Borrower should submit stock statement to bank at the time of availing the loan and the inspection of stocks hypothecated should be done at monthly intervals, if loan amount exceeds Rs. 25000/ and at intervals of two months otherwise.
Classification	Advances granted to farmers up to Rs.10.00 lacs against pledge/hypothecation of agriculture produce (including ware house receipts) for a period not exceeding 12 months, can be treated as Direct Agriculture advances under priority sector.