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# Business Standard

**Nabard plans to provide RuPay cards to over 34 million farmers**

To deploy 200,000 PoS machines in 100,000 villages



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With the government pushing for digital payments ecosystem even in rural areas and agriculture sector, National Bank for Agriculture and Rural Development (Nabard) has planned to provide RuPay cards to over 34 million farmers in villages across India. These cards will be provided through cooperative banks and farmers' credit cooperative societies.

Nabard has already asked credit societies and cooperative banks to open saving accounts directly or under Jan Dhan. Through RuPay cards, farmers can buy seeds, fertilisers and other

farming equipment. Nabard has already planned to deploy 200,000 point-of-sale (PoS) machines in 100,000 villages, for which it has allotted funds of Rs 120 crore. These PoS machines will be installed by commercial banks. Nabard will give Rs 6,000 per equipment incentive to the commercial banks for purchase of PoS machines.

"Our aim is to enable farmers for cashless transactions. Generally, farmers buy seeds, fertilisers and other farming related things on cash or on credit as technology has not yet fully reached rural areas. By providing RuPay cards, they will also be able to go cashless soon," said H R Dave, deputy managing director of Nabard.

Cooperative banks and farmers' credit cooperative societies will open accounts and issue RuPay cards to the farmers. Farmers who have bank accounts will also get these cards. According to Nabard, the nodal bank is looking to provide Rupay card over 34 million farmers across India.

Dave said, "We have spoken to respected states cooperative banks and farmers' credit cooperative societies and they will open accounts under Jan Dhan or normal accounts. All new and existing account holder farmers will get RuPay cards to do cashless transaction as per their requirements."

To increase digital payment infrastructure in rural areas, the central government through Nabard will extend financial support to eligible banks for deployment of two PoS devices each in 100,000 villages with population of less than 10,000. These POS machines are intended to be deployed at primary cooperative societies, milk societies and agricultural input dealers to facilitate agri-related transactions through digital means. With this, farmers will have cashless transaction facilities in their villages for their farming requirements.

However, Nabard has not set any time limit to complete the project but aims to distribute RuPay cards within a year.

Dave said, "Nabard is providing financial assistance of Rs 6,000 per PoS to the commercial banks. We believe that in the current scenario demand for PoS machines from merchants will grow quickly and we may have to fix 200,000 machines and distribution of RuPay cards in next one year."

## **Demonetisation: Centre extends relief to farmers, extends loan interest period by 60 days**

Demonetisation move, which pulled out 86 per cent of currency in circulation, has badly affected farmers



In a step aimed at providing relief to farmers hit by demonetisation, the Centre today gave 60 days more for availing of prompt repayment incentive of 3 per cent to those farmers whose crop loan due dates fall between November 1 and December 31 of this year.

Under the interest subvention scheme, farmers get the short-term crop loan of up to Rs 3 lakh for one year at an interest rate of 7 per cent. Those repaying on time get the loan at 4 per cent. "It has been decided that an additional grace period of 60 days for prompt repayment incentive at 3 per cent will be provided to those farmers, whose crop loan dues are falling within November 1 and December 2016 and if such farmers repay loan within 60 days," Joint Secretary in Agriculture Ministry Ashish Kumar Bhutani told PTI.

Suppose a farmer has a crop loan to be repaid on November 15, that farmer will get 60 days more from the due date to repay the loan and avail prompt repayment incentive of 3 per cent, he explained.

A notification in this regard has been issued, he said.

For 2016-17, the government has set a target to disburse agri credit of Rs 9 lakh crore, of which, Rs 7.56 lakh crore credit has been disbursed to farmers till September of this year, as per the ministry's data.

The government's demonetisation move, which pulled out 86 per cent of currency in circulation, has badly affected farmers as they have little cash to buy agri-inputs for winter crops and are even facing hardship in repaying crop loans.

The government has already allowed farmers to buy seeds through old Rs 500 notes from central and state-owned seed companies as well as from ICAR and central varsities. It has also asked the fertiliser companies to sell soil nutrients on credit basis to farmers.



# THE TIMES OF INDIA

## **Govt provides 60-days grace period to farmers for repaying crop loan following note ban**

NEW DELHI: Noting constraints faced by farming community due to demonetisation, the government on Tuesday decided to provide additional grace period of 60 days for availing of prompt repayment incentive of 3% to farmers whose crop loan dues fall between November 1 and December 31.

Under interest subvention scheme, farmers get short-term crop loan of up to Rs 3 lakh for one year at an interest rate of 7%. An incentive of 3% per annum is, however, provided to farmers for prompt repayment of loans within due date. So, the prompt payee farmers in effect avail short term crop loans at an interest rate of 4% per annum.

As per the decision, if a farmer has a crop loan to be repaid on December 20, he will get 60 days more from the due date to repay the loan and avail prompt repayment incentive of 3%. Farmers in many parts of the country has been facing difficulties in repayment of loan dues within the prescribed time limit ever since the government decided to ban old Rs 500 and Rs 1000 currency notes on November 8.

"Appreciating the requirement for some more time by the farmers to repay their loan dues, the government has on the lines of the RBI circular of November 21 decided to provide an additional grace period of 60 days to such farmers, whose crop loan dues fall due between November 1 and December 31", said agriculture ministry in a statement.

It said if such farmers repayed the loan within 60 days with effect from the date on which the repayment was due, they would be eligible for prompt repayment incentive (of 3%) for 2016-17.

The RBI had through its circular on November 21 stepped in to ease the pressure on small borrowers hit by demonetisation and given them a grace period of 60 days to repay loans without being classified as defaulters. The government's decision on farm loans is in tune with the central bank's circular.

Amid reports of difficulties to farmers due to cash crunch, the government has already allowed them to buy seeds through old Rs 500 notes from central and state-owned seed companies as well as from the ICAR institutions and central varsities. Besides, it had also asked the fertiliser companies to sell soil nutrients to farmers on credit basis so that the ongoing Rabi sowing operation could not be affected.

The total sown area under Rabi crops had already crossed the last year's corresponding period sown area mark as on last Friday. Latest figures, released by the agriculture ministry, show that the total area sown under Rabi crops as on December 16 stand at 519.27 lakh hectares as compared to 490.48 lakh hectare this time in 2015.

### **No shock: Farmers can sell surplus power to discom**

GUNTUR: Stating that distribution of solar pumpset to the farmers will be launched shortly, Southern Power Distribution Company Limited (SPDCL) HY Dora said that the government has decided to allow the farmers sell the surplus power to the discom with net metering

system.

He said that the farmers could upload the additional power after their consumption and make revenues through the energy sale. Speaking at a programme here on Monday, Dora said that they would start distribution of the energy-efficiency pumpsets shortly as the tenders for procurement was also finalised.



He said that they would complete the replacement of all the agriculture pumpsets in the SPDCL limits by March. He said that they would replace all the agriculture pumpsets without charging a paisa burden on the farmers.

State Energy Conservation Mission chief executive officer A Chandrasekhara Reddy said that the initiatives taken up by the power utilities in the state have brought laurels to the state. He said that they could achieve the results only due to the vision and commitment of the chief minister Chandrababu Naidu.

He said that the chief minister had also directed them to distribute two more LED bulbs to the SC, ST families in the state which would be started shortly. He said that they have also lined up distribution of energy-efficiency fans and tubelights to the power consumers in the state.

SPDCL chief engineer K Raja Bapaiah, SP B Jayabharatha Rao, government women's college principal Sasi Bala and other senior officials were present.

## **Farmers demand 40% duty on wheat imports**



Argue that removal of import duty could lead to distress sale during harvest

New Delhi, Dec 20:

The Centre's decision to scrap import duty on wheat should be withdrawn immediately, farmer leaders from Punjab, Haryana, Madhya Pradesh, Uttar Pradesh and Outer Delhi--all members of farmers' body Bhartiya Kisan Union (BKU)--have demanded.

Instead, a 40 per cent cess should be imposed on imports to prevent distress sale during harvest, they suggest.

"The decision taken at a time when many farmers have more or less completed their sowing is cruel and anti-people and will lead to distress sale during harvest," said Ajmer Singh, State President, BKU Punjab, addressing a press conference on Tuesday.

Wheat farmers say that there was actually no shortage of the cereal in the domestic market and the scarcity was artificially created by hoarders. "Farmers have sold their wheat for Rs. 1,200 per quintal to private buyers and it is now selling for much higher in the open market. The price has shot up due to hoarding which is what should be targeted by the government," said Yudhvir Singh, National General Secretary, BKU.

The government has estimated wheat production at 93.5 million tonne for 2015-16, Lakhoval, pointed out, adding that even if the estimates were not fully met, production would be enough to meet the national consumption demand of 87 million tonne.

“The removal of import duty on wheat does not make much sense, apart from benefiting the Australian Wheat Board,” Lakhoval added.

The BKU has already written to Prime Minister Narendra Modi asking for imposition of 40 per cent import duty on wheat, but has not received any response.

The government had completely scrapped import duty on wheat earlier this month after reducing it to 10 per cent from 25 per cent in September.

Private millers have already imported more than 1.72 million tonne of wheat from Australia, France and the Ukraine this year since September.

### **Farmers get 60 more days to repay crop loans**



New Delhi, Dec 20:

Farmers whose crop loan dues fall between November 1 and December 31 have cause for cheer. The Centre has given an additional grace period of 60 days for repayment of their loan dues.



If such farmers repay their dues within 60 days with effect from the repayment due date, they will be eligible for prompt repayment incentive for 2016-17, an official release said on Tuesday.

Currently, the government provides crop loans at a subvented interest rate of 7 per cent per annum. An additional incentive of 3 per cent per annum is provided to farmers for prompt repayment of loans within the due date and up to a maximum period of one year.

Such farmers can, in effect, avail themselves of short-term crop loans at 4 per cent per annum. The prompt repayment incentive, however, does not accrue to farmers who repay after one year of taking such loans.

### **Experts call for comprehensive policy package for plantation crops**

Kochi, Dec 20:

Considering the persistent market uncertainties, experts have underlined the need for adopting a comprehensive policy package for plantation crops such as rubber, tea, coffee and cardamom.

As a long-term perspective, they have suggested some guidelines, which encompass reconstruction of official databases, optimisation of crop harvesting expenses, promotion of producers' consortiums, and duty-free imports.

To address the issues confronting the sector, K. Tharian George, former Joint Director of the Rubber Research Institute of India, has suggested that a comprehensive and reliable database providing information on the agro-climatic zone-wise status of planting materials, age composition of planted area, soil characteristics and weather parameters is an essential prerequisite for a realistic approach.

Speaking at the agri-business session at the 22nd Plantation Crops symposium at CPCRI, Kasargod, he said attempts to mechanise harvesting operations have been tardy. Innovations in crop harvesting assume importance in the backdrop of uncertain farm gate prices determined by world market price movements.

He called for the promotion of producers' consortiums in the crop specific context as an integrated marketing strategy, both in the primary and retail markets, to enhance the share in the value chain. The focus should be on a comprehensive approach for improving farm income rather than segmented approaches on price stabilisation schemes and farm management issues.

### **New crop arrivals hit chana**

Indore, December 20:

Sluggish demand and scattered arrival of new crop dragged chana prices with chana (kanta) declining to ₹9,400-9,500 a quintal, while chana (desi) declined to ₹9,300. Bearish sentiment will likely to continue with expected delivery of Australian chana in January and rise in arrival of new chana in domestic market, said Sanjay Agrawal, a local trader. Chana dal (average) was ₹12,600-700, chana dal (medium) at ₹12,900-13,000, while chana dal (bold) ruled at ₹13,100-13,200 a quintal respectively. Dollar chana in Indore mandis ruled firm at ₹11,500-12,000 a quintal. In container, dollar chana (44/46 count) went for ₹14,200; 58/60 count at ₹12,800, while 60/62 count ruled at ₹11,800.