

Farmer's Club Programme

Overview

Agriculture is the backbone of the Indian Economy as nearly 60% of the population of the country depend on agriculture and contribute 23% to the GDP. Tenth Five Year Plan and National Agriculture Policy documents envisage a growth level of 4% in Agriculture as against the average growth of less than 2% in the last 50 years. The last decade commencing from 1990s was marked by post-Green Revolution fatigue and plateauing yield levels in many parts of the country. For sustained 4% growth in agriculture there is need to improve productivity and cut down on costs by improving efficiency.

There is, therefore, an urgent need to provide package of initiatives for transfer of technology, improving input use efficiency, promoting investments in agriculture both in private and in public sectors and creating a favourable and enabling economic environment. The emerging needs in agriculture sector now are adoption of location specific skill and knowledge based technologies, promote greater value addition to agriculture produce, forge new partnerships between public institutions, technology users and the corporate sector, harness IT more effectively to realise financial sustainability and compete in the international market.

For transmitting the latest agriculture techniques to the Farmers' field, orienting them to establish better relationship with banks, adoption of latest post-harvest handling technology, value addition, etc. and enjoy the benefits of collective bargaining power both for procuring inputs and select their produce the Farmers' Club Programme is an appropriate and most suitable strategy initiated by NABARD in late 1982.

Mission

Development in rural areas through credit, technology transfer, awareness and capacity building.

What are Farmers' Clubs

Farmers' Clubs are grassroot level informal forums. Such Clubs are organised by rural branches of banks with the support and financial assistance of NABARD for the mutual benefit of the banks concerned and rural people. The broad functions of the Farmers' Clubs would be to :

- Coordinate with banks to ensure credit flow among its members and forge better bank borrower relationship,
- Organise minimum one meeting per month and depending upon the need, there would be 2-3 meetings per month. Non-members can also be invited to attend the meetings,

- Interface with subject matter specialists in the various fields of agriculture and allied activities etc., extension personnel of Agriculture Universities, Development Departments and other related agencies for technical know how upgradation. For guest lectures, even experienced farmers who are non members from the village/ neighbouring villages could be invited,
- Liaison with Corporate input suppliers to purchase bulk inputs on behalf of members,
- Organise/facilitate joint activities like value addition, processing, collective farm produce marketing, etc.; for the benefit of members. They can also sponsor / organise SHGs,
- Undertake socio-economic developmental activities like community works, education, health, environment and natural resource management etc.
- Market rural produce and products

What is Farmers' Club Programme

National Bank for Agriculture and Rural Development (NABARD) encourages banks to promote Farmers' Clubs in rural areas under the Farmers' Club Programme, earlier known as "Vikas Volunteer Vahini (VVV) Programme". The Programme was launched by NABARD in November 1982 to propagate the five principles of "*Development through Credit*".

The five principles are:

- Credit must be used in accordance with the most suitable methods of science and technology.
- The terms and conditions of credit must be fully respected.
- Work must be done with skill so as to increase production and productivity.
- A part of the additional income created by credit must be saved.
- Loan installments must be repaid in time and regularly so as to recycle credit.

The "VVV Programme" was rechristened as "**Farmers' Club Programme**" in 2005 by revisiting its earlier mission.

Benefits of Farmers' Club to Bank Branch

The formation of Farmers' Club lead to better Banker-Borrower relationship in the area.

- Mobilisation of deposits.
- Increase in the credit flow and diversification of lending.
- Generation of new business avenues.
- Increase in the recoveries and decline in the non-performing assets.
- Reduction in the transaction costs of financial institutions/ Banks.
- Socio economic development of the village.
- A win-win situation both for the banker and borrower.
- Besides these benefits, the Farmers' Club has also been instrumental in certain social welfare measures like free eye check-up camp, Animal Health Care Camp, Mass vaccination camp, community works like road, check-dams, aforestation, etc.
- Enhance bargaining power in bulk purchase of inputs and marketing of their produce in the open market.

Who can organise Farmers' Clubs

Any bank operating in rural area, including Commercial Banks (CB), Regional Rural Banks (RRB), & Cooperative Banks (SCB, SCARDB, PCARDB, DCCB and PACS) can sponsor and organise Farmers' Clubs. They can hire services of NGOs/ KVKs /Agriculture Universities, if required, for promotion of the clubs. All the clubs should have savings bank account with the bank.

Set Up

Farmers' Club is an informal forum in the villages. It can be promoted in a village/ cluster of villages, generally in the Operational Area of a Bank. While Farmers' Club should have minimum of 10 members, no upper limit in the membership is envisaged. Every Club would have two office bearers - One 'Chief Coordinator' and the other 'Associate Coordinator'. The office bearers would be elected by Club Members on a democratic basis for a term of two years. The office bearers should be residents of the area of the operation of the club. No NGO representative can be office bearer of the club. The main functions of the office bearers would be to convene meetings, to arrange meetings with experts,

maintenance of Books of Accounts, coordination with Bank, Line Departments of the State Governments, maintaining proper liaison with Bank

Membership

All villagers except willful defaulters can become members of the club. The club must make endeavour to raise their own resources by way of contribution from members, undertaking certain business services such as bulk procurement of inputs and collective marketing of agricultural produce, etc.

How to form Farmers' Club by bank branches

- Bank branch can promote the clubs directly or engage Farmers' Club promoting agencies like Krishi Vigyan Kendras (KVKs), Agriculture Universities, NGOs, Corporates, etc.
- Select a village/ cluster of villages suitable for launching Clubs in the operational area of the bank branch.
- Identify a few borrowers with good track record of proper loan utilisation, aptitude and capacity for team work. (Success of the Club hinges on the right choice of members).
- Encourage the members to select a Chief Coordinator and an Associate Coordinator. This will ensure collective leadership and continuance of the Club.
- Provide orientation training to them with the help of NABARD (Regional Office / DDM or trained officers from the bank) before launching.
- Encourage members to convene monthly meeting regularly, guide them to have meaningful discussion and take necessary follow up action.
- Motivate members them to identify credit and non-credit needs (training, socio-economic, village infrastructure, etc.), prepare a plan of action and accordingly arrange for expert talks, counselling, need-based activities, etc. with the help of Government Departments and other agencies concerned.
- Encourage members to maintain Membership Register, Minutes Book and accounts Register.
- Evolve a performance parameter and measure the Clubs' contribution annually.
- Use Club as a tool in aid of branch not only in the matter of credit and recovery but also in facilitating promotion of SHGs, micro credit and convergence of services.

Financial Support from NABARD

Sl. No.	Name of the Programme	Maximum Eligible Grant other than NER	North East Region (including Sikkim and Andaman & Nicobar Islands)
1	Maintenance of a Farmers' Club	Rs. 3,000 per Club per year for 3 years.	Rs. 3,000 per Club year for 5 years
2	Grant if applicable in the case of KVKs, NGOs, Agriculture Universities etc.	Rs. 2,000/- per Club per year for 3 years.	Rs. 2,000/- per Club per year for 3 years.
3	Inauguration	Rs. 5000/-	Rs. 5000/-
4	"Meet with Experts" Program	Rs. 1,250 per meet for 4 meets for 3 years.	Rs. 1,250 per meet for 4 meets for 3 years.

NABARD would provide financial support for the first three years and for the next two years the bank sponsoring the club may provide the support, if necessary. The club is expected to attain self sustainability in a period of 3-5 years.