

## **EXTENSION OF PLEDGE FINANCE: NEED OF HOUR**

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### **Introduction**

As we knew that Agriculture is spine of India. It has been playing a essential position in an economy. Due to Government and those of countries efforts and supports the manufacturing of meals grains which become 550 lakh tonnes in 1950 drastically moved to 284.83 million tonnes in 2018-19. Since inception of independence , authorities of India had carried out diverse schemes to aid agriculture in phrases of cultivation ,fertilizer, insecticides, advertising and marketing and fee. That's impact, we had got very agreeable consequences within the agriculture Sector. Thus, the Milk manufacturing became estimated at 165.4 million tonnes, at the same time as meat manufacturing changed into 7.4 million tonnes. General area sown with kharif plants in India reached one zero five.78 million hectares, India is the second one biggest fruit producer within the world. Production of horticulture vegetation is envisioned at file 306.82 million tonnes (mt) as on September 2018. India had a huge and various agricultural area, accounting, on common, for about 16% of GDP and 10% of export earnings. India's arable land region of 159.7 million hectares (394.6 million acres) is the second biggest in the world, after the USA. Its gross irrigated crop region of eighty two.6 million hectares (215.6 million acres) is the most important in the global. India is many of the top three global manufacturers of many crops, consisting of wheat, rice, pulses, cotton, peanuts, end result and vegetables.

It additionally contributes a good sized figure to the Gross Domestic Product (GDP). Sustainable agriculture, in phrases of meals protection, rural employment, and environmentally sustainable technology consisting of soil conservation, sustainable natural resource management and biodiversity protection, are vital for holistic rural improvement. Indian agriculture and allied

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sports have witnessed an inexperienced revolution, a white revolution, a yellow revolution and a blue revolution.

At the identical time, every coin has two facet. There is also poor facet that shown us large anger, frustrations inside the thoughts of farmers because of the lack of right charge for their product, marketplace, warehousing centers and irrigations centers. As in keeping with the National Crime Records Bureau record, 4 lakh farmers have been suicide their existence in among 1995 to 2015. Farmer suicide account for 11.2% of all suicides in India. The maximum prevalence of farmer suicide in 2015 were in Maharashtra, Telangana, Karnataka and Madya Pradesh. The most wondering component that the State of Maharashtra largely laid low with the suicide while 23000 farmers have committed suicide in among 2009-15.

Agricultural may be very crucial in the process of development .In this context, Government of India had taken several efforts for its sustainable improvement .The efforts are consisted numerous schemes like pledge finance, soil fitness card scheme, water performance via Pradhanmantri Gram Sinchai Yojana, to guide organic farming through Paramparagat Krishi Vikas Yojana (PKVY), double farmers' profits by 2022 , Per Drop More Crop, Large investments in Warehousing and Cold Chains to save you put up-harvest crop losses, meals processing, creation of a National Farm Market, e-platform across 585 Stations, New Crop Insurance Scheme and advertising of ancillary activities like chicken, beekeeping and fisheries. Objective of paper- This paper has based on following goals.

- 1) To analysis pledge finance across country.
- 2) To find out the importance of Pledge Finance

Source of statistics: The paper is based totally on secondary information which have been posted with the aid of internet site, newspaper, magazine and books on time to time. This paper is split into two i.e.1) present status of pledge finance 2) Progress of Pledge finance in India.

### **Part-One- Present status of pledge finance**

Production of agriculture is depends on various component that would be price of product, technique of cultivation, costs of inputs, choice of farmers and highest essential is that herbal

ecosystem and monsoon. However agriculture is called gamble of Monsoon. Farmers had been easily tackles and adjust themselves with above elements and were given desirable production. Out of those production, small share of manufacturing kept at domestic and surplus manufacturing introduced in market. It has reality that farmers are accomplished manufacturing on the premise of season.

This paper has focusing on Pledge finance this is also very beneficial to farmers for getting anticipated prices. The pledge finance concept changed into introduced by means of the All India Rural Credit Survey Report of RBI in 1954. In harvesting season (Rabi Or Kharif), there may be large supply of agricultural manufacturing in the market which adversely affected on charge. Due to debt pressure, farmers are not able to preserve his stock. In this example he's often looted from the marketplace because of rate. According to the All India Rural Credit Survey Report, the farmers can keep his produce in the APMC godown and receives seventy five percent price value of the produce as a loan on the hobby charge of 6 percentage. This facility is available to farmers up to period of a hundred and eighty days. As soon as price of this product significantly upward thrust in marketplace then farmers might free to sell their produce in market and pay off his mortgage. While farmers repay his loan on or with time to APMC he might have get three percent rebate on hobby rate. By the time whether farmer would fail to pay off the mortgage to APMC, then he might need to pay off twelve percent fee of hobby and no gain of rebate .

This facility is being provided via CWC /SWC, Agricultural Produce Market Committees in lots of states and Rural godown Scheme or Gramin Bhandaran Yojana of Directorate of Marketing and Inspection, government. Of India. Recently, NAFED has also launched a brand new scheme to increase pledge loan facility to small and marginal farmers against the stock saved in NAFED's societies' godown. Under this scheme the produce should be of defined pleasant or graded before taken into possession inside the warehouses. Quality of the stored produce is maintained on scientific traces to save you the garage loses and can provide the identical to the depositor on his request.

Under the Pledge Finance scheme, there are covered diverse rabi and kharif vegetation like Moong, Tur, Udid, Soyabean, Paddy, Sunflower, Safflower (Kardai), Gram (Chana), Jawar,

Bajra, Maize, Wheat, Ghewda (Rajma), Turmeric, Regime (Bedana), Cashew nuts and Betel nuts (Supari) .Recetly there was included Gaggery also .Table -01 is defining that actual pledge finance facility to crops in State of Maharashtra.

**Table-01 Crop wise facility of Pledge Finance in Maharashtra**

Sr.No	Name of crop	Limit of Loan	Repayment Time	Rate of Interest
01	Soyabean, Tur, Moong, Udid, Paddy, Safflower (Kardai) Sunflower, Turmeric and Gram, Jawar, Bajra, Maize & Wheat	75 % of total cost. (as per market rate or MSP which is less.)	Six Months	Six Percent
02	Ghewda (Rajma)	75 % of total cost. Or maximum Rs. 3000/- per Quintal (which is less)	Six Months	Six Percent
03	Cashew nuts	75 % of total cost. Or Rs. 100/- per Kg (which is less)	Six Months	Six Percent
04	Betel nuts (Supari)	75 % of total cost. Or Rs. 100/- per Kg (which is less)	Six Months	Six Percent
05	Raisin (Bedana)	75 % of total cost. Or maximum Rs. 7500/- per Quintal (which is less)	Six Months	Six Percent

Source: Maharashtra State Agricultural Board Pune  
(<https://www.msamb.com/Schemes/PledgeFinance>)

### **Part-Two-Progress of Pledge finance in India.**

In the Part- One, the paper has explained that the heritage of pledge finance that is vital to farmers to guard themselves from falling fees after harvest. There is history that every time put up-harvest season came the prices of agriculture had been mechanically down. This is vital motive of growing distress in network of farmers . So there was felt a want to offer farmers

pledge finance when the price of his produce are low and sell their produce when price are favorable.

The pledge finance provided with the aid of State agricultural Marketing Board, Central and nation agricultural Board, National collateral Management Services and National Bulk Handling Corporation. Table-2, pointing out that availability of Pledge finance as nation sensible.

**Table-2, Status of Pledge finance State wise through the various institution**

Sr No	Name of State	SAMB	SWC	CWC	NCMS	NBHC
01	Andhra Pradesh	Yes	Yes	Yes	Yes	Yes
02	Karnataka	Yes	Yes	-	-	-
03	Tamilnadu	Yes	Yes	Yes	-	-
04	Kerala	-	Yes	Yes	-	-
05	Haryana	-	-	-	Yes	Yes
06	Punjab	-	-	-	Yes	Yes
07	Gujrat	-	Yes	Yes	-	-
08	Rajasthan	Yes	Yes	Yes	-	Yes
09	Madya Pradesh		Yes	-	-	Yes
10	Maharashtra	Yes	Yes	-	-	-
11	Orissa	-	-	Yes	Yes	-
12	West Bengal	-	-	-	Yes	-

\*SAMB-State Agricultural Marketing Board \*SWC-State Warehousing Corporation

\*NWC-National Warehousing Corporation \* NCMS-National Collateral Management Services

\*NBHC-National Bulk Handling Corporation

As in line with the guidelines of Reserve Bank of India, every country need to take a step to installation Pledge finance Facility through the diverse organization. It could be very vital to farmers to guard hobby of farmers. However there had been proven very bad reaction from the states which already referred to in Table-2. The state of Andhra Pradesh and Rajasthan were set up diverse organization to distribute pledge finance to farmers. Other ten more nation were also

set up few establishments to distribute it. Table -2 , additionally point out that ,there are 18 states which has no longer touched the concept of pledge Finance.

**Table-3, Number of Actual Beneficiary of Pledge finance State wise through the various institution(2013-14)**

Sr No	Name of State	SAMB	SWC	CWC	NCMS	NBHC
01	Andhra Pradesh	2363	145	1439	1022	14844
02	Karnataka	121	12986	-	-	-
03	Tamilnadu	2995	1975	795	-	-
04	Kerala	-	188	1328	-	-
05	Haryana	-	-	-	157	108
06	Punjab	-	-	-	217	141
07	Gujrat	-	-	62	-	-
08	Rajasthan	-	-	-	-	612
09	Madya Pradesh		509	-	-	386
10	Maharashtra	-	390	-	-	-
11	Orissa	-	-	03	203	-
12	West Bengal	-	-	-	81	-

Table -3, has been described actual fame of pledge finance in India. Across the India simplest the state of Andhra Pradesh had given the benefit of it to farmers after harvest. Other nearly eighteen states such as Bihar,UttarPradesh,Jharkhand,Assam and Himachal Pradesh have now not introduce the said scheme until today.

#### Conclusion.

We proudly says that India is agricultural country.Forever all of us has paintings inside the interest of farmers and agricultural. There were delivered diverse schemes to help agriculture that help to farmer community to getting right income. Unfortunately most of schemes were on paper no longer nearly applied.Pledge finance is pleasant instance of it. The paper observed that if all states without a doubt applied the pledge finance scheme then automatically farmers would get benefits .

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