



AGRICULTURE FINANCE IN INDIA: AN OVERVIEW

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ABSTRACT

India is one of the largest producers of agri commodities. More than half of the population in India is depending upon the farming. About 15% of the India's GDP is from Agriculture and more than fifty percent of the population is depending on the agriculture in one or other way. Agriculture production more than 700 million tones out which 280 tones food grains. More than 32 million farmers have received the loan from commercial banks alone. Moreover, more than 17.5 % of aggregate bank credit is towards agriculture. Availability of adequate credit is vital for every sector and agriculture is not an exception. In India, Commercial Banks, Cooperative Banks, and Regional Rural Banks (RRBs) are responsible for smooth flow of credit to agricultural sector. But a huge unorganized market exists for credit to agricultural sector in India, which provide timely fund to this sector but at the exorbitant rate of interest. Among organized credit disbursement to agriculture commercial banks play a vital role with a share of about 70% where as cooperative sector and RRBs contribute 20% and 10 % respectively.

KEYWORDS: *Agri Finance, Co-operatives, Agriculture Development, RRBs.*