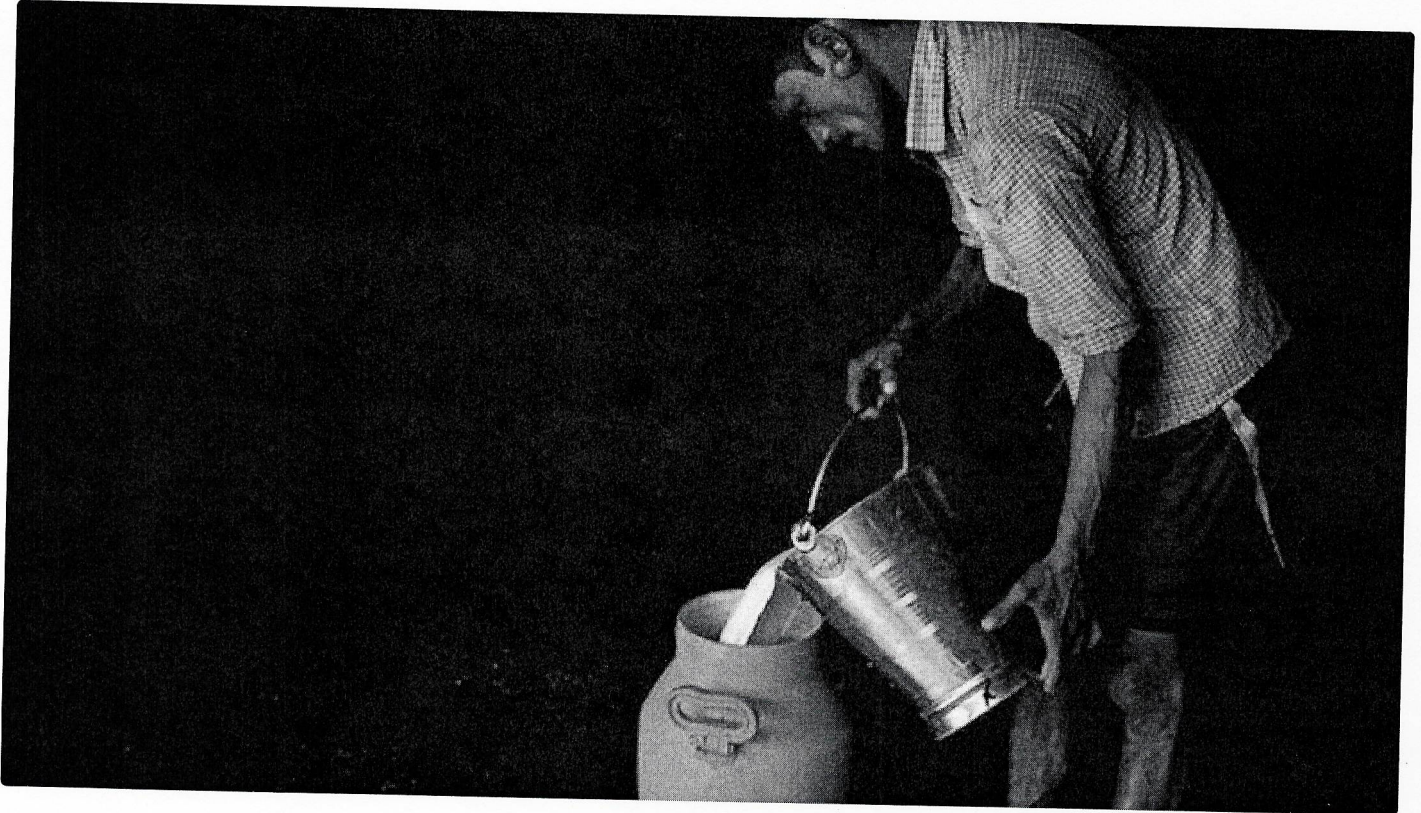


Business Standard

Govt plans to enlist dairy, fishery co-operatives in rural banking outreach

Cooperative members will also be issued Kisan Credit Cards, which typically offer farm loans at lower interest rates

Press Trust of India | New Delhi



A Worker Cleans Up Cow Dung In A Cattle Shed At A Dairy Farm In Rural Maharashtra In 2017. (Photo: Bloomberg)

The government is planning to launch a nationwide programme to rope in dairy and fishery cooperative societies as banking correspondents to expand financial services in rural areas, a top official said on Wednesday.

Ministry of Cooperation Secretary Ashish Kumar Bhutani said the programme would leverage the existing network of dairy and fishery cooperatives to act as "bank mitras" or banking agents by offering services such as micro-ATMs and lower-interest farm loans.

"The pilot has been rolled out at the state level in Gujarat. We intend to nationally roll out shortly," Bhutani said while addressing a cooperative summit organised by PHDCCI here.

The plan follows a pilot project launched in two districts of Gujarat where members of dairy and fishery cooperatives were able to access banking services closer home, including doorstep delivery of microloans and facilitating other transactions.

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Under the nationwide programme, these cooperative societies will be engaged as banking correspondents of district and state cooperative banks, official sources said.

To enable delivery of branchless banking services, the cooperatives will be provided with micro-ATMs with support from the National Bank for Agriculture and Rural Development (NABARD), the state agency tasked with development of rural India.

Cooperative members will also be issued Kisan Credit Cards, which typically offer farm loans at lower interest rates.

Bhutani said the Ministry of Cooperation has initiated 54 measures over the last two-and-a-half years since its formation to strengthen and promote India's cooperative sector, including allowing grassroots-level Primary Agricultural Credit Societies (PACS) to undertake multiple activities.

The government has also floated multi-state cooperatives to promote exports, seed production and organic produce to help cooperatives tap international markets, the top official added.

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