Credit Guarantee Scheme for e-NWR based pledge Financing

December 17, 2024 • vajiramandravi.com

About Credit Guarantee Scheme for e-NWR based pledge Financing:

- It aims to provide credit facilities to small farmers to prevent them from **distress selling.**
- It provides a corpus of **Rs 1,000-crore for post-harvest finance** availed by farmers against **electronic negotiable warehouse receipts** (e-NWRs) after depositing commodities in **Warehousing Development and Regulatory Authority** (WDRA) accredited warehouses.
- **Coverage:** Loans up to **Rs. 75 lakhs for agricultural purpose** and Loans up to Rs. 200 Lakhs for nonagricultural purpose.
- **Eligible Institutions:** All scheduled banks and all cooperative banks.
- **Eligible Borrowers:** Small and Marginal Farmer (SMF)/ Women/SC/ST/PwD Farmers, other farmers, MSMEs, Traders, FPOs and Farmer cooperatives.
- **Risks covered:** Credit and warehouseman risk
- **Guarantee coverage:** 85% for loans up to Rs. 3L and 80% for loan between 3 to 75 lakhs for small and marginal farmers/women/SC/ST/PwD and 75% for other borrowers.
- The credit guarantee schemes are expected to **enhance the availability and accessibility of finances** for the targeted beneficiaries, as they play an important role in economic growth.
- It will serve to increase post-harvest lending against e-NWRs and thereby, play a significant role in improving farmers' income.

Q1: What is Warehousing Development and Regulatory Authority (WDRA)?

WDRA was constituted in 2010 under the Warehousing (Development and Regulation) Act, of 2007. It is under the Department of Food and Public Distribution (DFPD).

News: Union Food and Consumer Affairs Minister launches Credit Guarantee Scheme for e-NWR based pledge Financing (CGS-NPF)
