

xvii. Farmers Clubs - Bankers' Friend

The problem of banking sector in recovering loans defaulted by the borrower farmers is well known. Unless this situation is changed quickly, it may choke the entire credit delivery system in the State. One of the best methods of educating the farmers on the development through credit is making the progressive farmers in a village to motivate those who have defaulted their loans to the banks. With this objective in view, an innovative institutional development initiative of NABARD for strengthening the relationship between the banks and their rural clients called Vikas Volunteer Vahini [Farmers' clubs] was introduced in late 80s. The clients of a bank branch who had been benefited by the right use of bank credit and repaid the bank loans in time and are willing to spread the message of Development through Credit are identified by the banks and encouraged to form village level forums called farmers clubs or VVV clubs. NABARD provides initial funding to banks and NGOs for establishing such farmers clubs in the State. In Assam, though over 150 such farmers clubs have been formed about one third of them are defunct. In order to make the farmers access credit from the banking system, it is necessary to form a large number of farmers clubs in the State. Assam has about 25,000 inhabited villages. Therefore, it should be possible to promote at least 1000 farmers clubs in about two year period.

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