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TN Targets Rs 5,000 CR Rural Business Loans for Farmers

Chennai, 18 Oct 2026: Farmers and those engaged in allied agricultural activities can avail loans of up to Rs 5 lakh at 9% annual interest under the Tamil Nadu govt's new Rural Business Loan scheme, for which a disburse ment target of Rs 5,000 crore has been fixed for the 2026- 27 financial year. Cooperation Minister V Gandhiraj said the scheme aims to increase the income of small and marginal farmers by providing financial assistance for agriculture and allied rural businesses t hrough District Central Cooperative Banks and Primary Agricultural Coopera tive Credit Societies (PACCS). Of the total Rs 5,000 crore target, Rs 2,000 crore will be disbursed through District Central Coope rative Banks and Rs 3,000 crore through PACCS.

Under the scheme, eligible beneficiaries can obtain medium term loans of up to Rs 5 lakh, repayable with interest within 36 months from the date of disbursement. A moratorium of three to

Loans

six months may also be provided based on requirements. The scheme was introduced following an announce ment made by the Cooperation Minister during the discussion on the department's demand for grants in the 2026-27 Assembly session.

Model guidelines have been formulated for loan disbursement, and cooperative insti tutions have been instructed to obtain the necessary approvals and implement the scheme in accordance with the prescribed

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norms. Priority will be given to marginal farmers, women farmers and applicants from disadvantaged sections.

Cooperative institutions have also been directed to verify applicants' eligibility, follow lending norms and regularly monitor loan repayments and recovery. The Minister urged small and marginal farmers engaged in agriculture and allied activities to make use of the scheme to expand their busi nesses and improve their income.