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A New Era in Agri-Finance: Exploring the Benefits of SAFAL for Farmers

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According to World bank, demand for food will increase by 70% by 2050; at least $80 billion annual investments will be needed to meet this demand. Agriculture finance empowers poor farmers to increase their wealth and facilitates the development of food value chains for feeding 9 billion people by 2050. Micro loans for farmers play a crucial role in financing small agricultural businesses. They offer easy access to funds, tailored loan terms, and flexible repayment options, empowering small farmers to invest in their businesses and improve their livelihoods. By providing financial inclusion and promoting economic growth in rural areas, agriculture credit and farm loans contribute to the overall development of the agricultural sector.

In a significant move to bolster agricultural finance, the Government of Odisha has introduced SAFAL (Simplified Application for Agricultural Loans), India's first online agricultural credit facilitation portal. This innovative platform is set to transform the way farmers and agri-entrepreneurs access financial resources, ushering in a new era in agri-finance. This Common Credit portal is a one-stop platform enabling ease of the loan application process benefiting both the farmers and banks significantly. It successfully reduces information asymmetry by sending farmers real-time notifications at every stage of their loan application. It empowers the government with complete visibility of demand and disbursal of formal credit across states and ensure schemes are designed in a data-backed manner. It is a great tech enabler and facilitator of credit to spur the agriculture and allied sectors in Odisha and increase the economic prowess of farmers in the long run.

Streamlining Access to Credit

SAFAL serves as a one-stop solution, providing users with access to over 300 term loan products from more than 40 partner banks, including public and private sector banks, regional rural banks, state cooperative banks, and small finance banks. By consolidating these options into a single portal, it simplifies the loan application process, making it more accessible and less time-consuming for farmers.

Integration with Krushak Odisha

The portal is integrated with **Krushak Odisha**, a comprehensive database of the state's farmers. This integration ensures that banks receive authentic and verified information about loan applicants, reducing paperwork and expediting the approval process. Additionally, SAFAL offers access to over 70 model project reports, assisting farmers in preparing quality Detailed Project Reports (DPRs) to support their loan applications.

Key features of the Unified Farmer credit Portal

1. **Online Application:** User-facing web portal and mobile app to apply for and process the loan products offered by 40+ banks in the agriculture and allied sector. Relevant information such as guidelines, and model DPRs for all loan products are available on the platform.
2. **Real-Time Application Tracking:** One of the standout features of SAFAL is its real-time application tracking system. Applicants can monitor the status of their loan applications through the portal or mobile app using their mobile numbers. They receive notifications at each stage of the process, ensuring transparency and keeping them informed about any actions required on their part.
3. **Proactive Status Notification:** Applicants also get notifications via SMS and/or E-mail as their application is reverted, sanctioned or rejected at each stage. They are also informed about any activity that needs to be undertaken at their end.
4. **Online Application Processing:** End-to-end processing of applications is enabled online on the web portal and mobile app for each bank level.
5. **Common Portal:** The credit portal is a single portal for accessing all bank loan products available for farmers and agri-preneurs across agriculture and allied services.

Benefits to Farmers and Banks

For farmers, SAFAL offers an easier loan application process, better visibility of available loan products, and support in preparing quality DPRs. For banks, the portal provides access to a larger pool of loan seekers, improved quality of applications, and enhanced visibility of loan application statuses from branch to headquarters levels. This streamlined approach benefits both parties, promoting financial inclusion and supporting the growth of the agricultural sector.

A Vision for the Future

The unified farmer credit portal, has the potential to revolutionize credit provisions for farmers and agri-entrepreneurs. By reducing information asymmetry and providing the government with comprehensive visibility of credit demand and disbursal across the state, SAFAL ensures that schemes are designed in a data-backed manner, ultimately enhancing the economic prowess of farmers in the long run.

In conclusion, SAFAL represents a significant advancement in agricultural finance, offering a streamlined, transparent, and efficient platform for accessing credit. By leveraging technology and data integration, it empowers farmers and agri-entrepreneurs, paving the way for a more prosperous and resilient agricultural sector in Odisha.



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