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AGRI BUSINESS

# Breaking the funding barrier for women farmers bl PREMIUM

Simplify KCC, celebrate success stories, route it through FPOs, and move from being a producer to a processor, urged panelists

By BL New Delhi Bureau

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*Subramani Ra Mancombu, Consulting Editor, businessline, Anupam Gupta, CBO, Kissandhan, Ravi Kumar, Lead Smallholder farming, South Asia, Bayer AG and Ajay Kumar Jha, Deputy General Manager, product development and marketing, SBI | Photo Credit: Bijoy Ghosh*

Banks prefer women borrowers as their rate of repayment is higher and yet over 80 per cent of women farmers are denied loans as compared to 43 per cent of men. Is there a bias? How can women, who are often the backbone of the rural economy, get more funding? This was the topic of a panel discussion titled ‘Seeds of funding’ at the *businessline* Agri & Commodity Summit 2026 in which Anupam Gupta, CBO, Kissandhan, Ravi Kumar, Lead Smallholder farming, South Asia, Bayer AG and Ajay Kumar Jha, Deputy General Manager, product development and marketing, SBI discussed the barriers to funding and how these can be overcome. The discussion was moderated by Subramani Ra Mancombu, Consulting Editor, *businessline*.

## **Structural issue**

According to Ravi Kumar, rather than bias, it is structural issues that prevent women from getting loans. “There is a lack of documentation and women rarely are able to furnish collateral as they do not have land ownership. Also financial literacy too is a challenge,” he said. He also said that the small size of the loan size too often posed a challenge to lending organisations.

SBI’s Jha said that the bank always rated women borrowers very highly but the problem in giving loans to them was the lack of ownership of land. One way that SBI had solved the issue was by motivating women farmers to migrate up the value chain from being a mere producer to a processor. If women get into the full value

chain of agriculture, from sowing to setting up processing units, it is easier for SBI to give loans as you do not need to show land ownership, he said.

According to Anupam Gupta, Kissandhan had got around the problem of lack of land ownership by routing loans through FPOs (farmer producer organisations). “We do funding through FPOs and have impacted the lives of 7 lakh farmers. There are more than 50,000 ladies in FPOs and many FPOs have only women members,” he said. He pointed out that Kissandhan had a presence in states like Rajasthan, MP, Odisha and Maharashtra.

Ravi Kumar pointed out that when women farmers fail to get financial help from NBFCs and banks, they resort to borrowing from informal lenders at a much higher rate. “They don’t get the right input from informal lenders and their income gets impacted as their cost of cultivation becomes higher,” he said.

## **Way forward**

The panel unanimously urged policy changes such as simplifying KCC, showing leniency in collaterals, and designing specific products keeping in need requirements and constraints of women borrowers.

Gupta advocated creating financial and digital literacy and empowering women farmers with a mobile phone. “Societal recognition needs to be given,” stressed Ravi Kumar. “Women should not be seen as labourers but be seen as a part of asset ownership and given digital literacy,” he said.

SBI's Jha pointed out that value addition was crucial for the women farmers and there were a lot of initiatives through which they could be beneficiaries. "Fifteen per cent of our agri portfolio is accessed through Self Help Groups," he said, adding that one of the highest amounts it had disbursed without collateral was Rs 100 crore.

Success stories of women farmers need to be celebrated more so that more women are inspired, concluded the panel.

 COMMENTS

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