

Government of India  
Ministry of Finance  
Department of Financial Services  
LOK SABHA  
Unstarred Question No. 2204  
To be answered on Friday, July 28, 2017/Shravana 6, 1939 (Saka)

**Crop loan**

† 2204. SHRIMATI BHAVANA PUNDALIKRAO GAWALI PATIL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has decided to grant crop loan on easy terms to farmers;
- (b) if so, the details thereof; and
- (c) the total amount sanctioned for the said purpose during the current financial year?

**Answer**

The Minister of State in the Ministry of Finance  
(Shri Santosh Kumar Gangwar)

(a) to (c): In order to make available ground level agricultural credit for Short Term crop loans at an affordable rate to give a boost to agricultural productivity and production in the country, Government in the Department of Agriculture, Cooperation and Farmers' Welfare (DAC&FW) has approved the continuation of the Interest Subvention Scheme for the current financial year 2017-18.

Under the Scheme, interest subvention of 2% per annum is provided to Public Sector Banks, Private Sector Scheduled Commercial Banks (in respect of loans given by their rural and semi urban branches only), Cooperative Banks and Regional Rural Banks on their own funds used for short term crop loans upto Rs. 3.00 lakh per farmer provided the lending institutions make available short term credit at the ground level at 7% per annum to farmers.

Farmers are provided with 3% additional interest subvention for the short term crop loan of upto Rs. 3.00 lakh for a maximum period of one year for prompt repayment on or before the due date.

Thus, farmers, who promptly repay their crop loans as per the repayment schedule fixed by the banks, are extended loans at an effective interest rate of 4% per annum.

Under the scheme, an amount of ₹ 15,000 crore has been allocated during 2017-18