

Government of India  
Ministry of Finance  
Department of Financial Services

LOK SABHA  
Unstarred Question No. 109  
To be answered on Friday, December 15, 2017/Agrahayana 24, 1939 (Saka)  
**Agricultural Credit**

109. SHRI MALYADRI SRIRAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has conducted any survey on credit needs of farmers for production/cultivation, investment and consumption purposes and if so, the details thereof;
- (b) whether the Government is aware that Kisan Credit Cards (KCCs) are being used more for private consumption expenditure than the farming activities and if so, the details thereof; and
- (c) the steps being taken by the Government in this regard?

**Answer**

The Minister of State in the Ministry of Finance  
(Shri Shiv Pratap Shukla )

(a): National Bank for Agriculture and Rural Development (NABARD) has reported that it has not conducted any survey on credit needs of farmers for production/cultivation, investment and consumption purposes. However in order to support agriculture and rural development and to meaningfully link development and credit planning, NABARD prepares potential-linked credit plans (PLPs) for each district in the country every year. The PLPs provide estimate of credit which can be potentially absorbed at the district level for various agricultural sectors and sub-sectors, off-farm sector, other priority sectors, etc.,. The sector-wise credit projections captured in the PLPs are used by various banks as a guide to arrive at the credit targets for agricultural and allied sectors in particular and priority sectors, in general in various districts. The PLPs are prepared every year for all the districts in country.

(b) & (c): In terms of Reserve Bank of India (RBI) Master Circular on Kisan Credit Card (KCC) Scheme dated 03 July 2017, KCC Scheme aims at providing adequate and timely credit support from the banking system under a single window to the farmers for their cultivation & other needs as indicated below:

- a. To meet the short term credit requirements for cultivation of crops
- b. Post harvest expenses
- c. Produce Marketing loan
- d. Consumption requirements of farmer household
- e. Working capital for maintenance of farm assets and activities allied to agriculture, like dairy animals, in land fishery etc.
- f. Investment credit requirement for agriculture and allied activities like pumpsets, sprayers, dairy animalistic.

The aggregate of components a. to e. above form the short term credit limit portion and the aggregate of components under f form the long term credit limit portion.

The credit limit under the KCC is fixed as indicated below:

i) All farmers other than marginal farmers:

Scale of finance for the crop (as decided by District Level Technical Committee) x Extent of area cultivated + 10% of limit towards post-harvest/household/ consumption requirements + 20% of limit towards repairs and maintenance expenses of farm assets + crop insurance and/or accident insurance including PAIS, health insurance & asset insurance.

ii) For Marginal Farmers

A flexible limit of ₹ 10,000 to ₹ 50,000 may be provided (as Flexi KCC) based on the land holding and crops grown including post-harvest warehouse storage related credit needs and other farm expenses, consumption needs, etc., plus small term loan investment(s) like purchase of farm equipment(s), establishing mini dairy/backyard poultry as per assessment of the Branch Manager without relating it to the value of land. The composite KCC limit is to be fixed for a period of five years on this basis.