

Government of India  
Ministry of Finance  
Department of Financial Services  
LOK SABHA  
Unstarred Question No. 3661  
To be answered on Friday, March 16, 2018/Phalguna 25, 1939 (Saka)

**Credit Card Facility for Farmers**

3661. SHRI MOHITE PATIL VIJAYSINH SHANKARRAO: DR. HEENA VIJAYKUMAR GAVIT: SHRIMATI SUPRIYA SULE: SHRI DHANANJAY MAHADIK: SHRI SATAV RAJEEV: SHRI P.R. SUNDARAM: DR. J. JAYAVARDHAN.

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Bank of India (SBI) has launched the credit card facility for the farmers nationwide, if so, the details thereof along with the main key features of credit card facility extended to farmers;
- (b) whether the SBI has launched this facility as pilot basis in some States, if so, the details thereof along with the time by which it will be extended to other parts of the country;
- (c) the details of applications received from farmers for issue of credit cards till date; and
- (d) the steps taken by the Government to provide financial assistance for purchasing their goods and machineries at a much reduced rate of interest against credit availed?

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

(a) to (c): State Bank of India (SBI) has reported that with the objective of providing farmer's genuine credit requirements, it has launched Krishak Unnati Card (Credit Card facility) for the farmers in the month of January, 2018 on a pilot basis in select few States (Madhya Pradesh, Rajasthan & Gujarat). Based on the response and feedback of farmers the facility will be extended to other States in phases.

The key features of Krishak Unnati Card (Credit Card facility) are at Annexure.

As reported by SBI, a total number of 580 applications have been received from farmers for issuance of credit card as on 06.03.2018.

(d) With a view to ensuring availability of agriculture credit at a reduced interest rate of 7% p.a. to the farmers, the Government of India in the Department of Agriculture, Cooperation and Farmers' Welfare implements an interest subvention scheme for short term crop loans up to Rs3.00 lakh. The scheme provides interest subvention of 2% per annum to Banks on use of their own resources. Besides, additional 3% incentive is given to the farmers for prompt repayment of the loan, thereby reducing the effective rate of interest to 4%.

To encourage long term investment credit in agriculture, NABARD provides refinance to Cooperative Banks and RRBs out of Long Term Rural Credit Fund (LTRCF), at a concessional rate of interest, which is currently at 4.65%. The rate of interest to ultimate beneficiaries is as per Bank's loan policy within the framework of RBI instructions.

**Krishak Unnati Card – Key Features**

**Objective:** To ensure standby credit arrangement for farmers over and above KCC loan limits sanctioned to meet the unexpected /unforeseen emergency expenses towards Agriculture and allied agricultural activities, to empower and encourage farmers the use of digital payment channels and to provide level playing field to farmers to avail discount offered by SBI Cards on various e-commerce platforms.

**Eligibility:** Farmers enjoying KCC limits of Rs. 5 Lacs and above having completed two renewals/ reviews and regular with either Housing loan/ Car Loan/ ATL.

**Purpose:** To meet the cost of sudden breakdown of farm/irrigation equipment, fuel cost, mandi /storage cost in case of uncertainty in prices of Agri commodities, increasing labour charges during peak sowing /harvesting and allied activities, etc.,

**Quantum of limit:** 20% of KCC loan limit availed from SBI with a maximum limit of Rs.1,00,000/-

**Interest rate:** Interest free credit period could range from 20 to 50 days based on the usage of card. If the card due payment is not paid on due date, an interest rate of 13.40% p.a. (1yr MCLR + 5.25%) is charged.

**Validity:** Three years.

**Benefits:**

- Krishak Unnati Card is free for first year, i.e., 0 membership fee
- 2nd year onwards, renewal fee of Rs.499 to be waived on annual spends of Rs.30,000
- Krishak Unnati Card comes with credit free period of 20-50 days
- Reward Points on regular spends
  - 5 Reward Points per Rs.100 spent on Utility Bill Payments and Fuel spends
  - 1 Reward Points per Rs.100 spent on all other categories
  - These reward points can be redeemed against outstanding balance or against host of gift option from SBI Card Rewards Catalogue
- Freedom from Fuel Surcharge – 1% Surcharge waiver across all fuel pumps in India
- Rs.500 Cashback on annual spends of Rs.50,000