

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO. 3321
TO BE ANSWERED ON THE 7TH AUGUST, 2018

CHEAPER LOANS TO FARMERS

3321. SHRI AJAY MISRA TENI:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

(a) whether the Government proposes to start any scheme to provide cheaper loans to farmers keeping in view the rising cost of production and the requirement for farming equipment; and

(b) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI PARSHOTTAM RUPALA)

(a) & (b): No, Madam. However, presently, the Government, with a view to encourage crop production and productivity provides concessional short term crop loans under the Interest Subvention Scheme (ISS). In 2017-18, under the scheme the Government provided interest subvention @ 2% per annum on short term crop loans upto Rs.3.00 lakh for a period of one year and further provided a Prompt Repayment Incentive (PRI) @3% per annum to farmers. Thus, against the normal lending rate of 9%, the short term crop loans were made available to such prompt payee farmers at an effective interest rate of 4% per annum. In 2018-19, the Scheme is continuing on interim basis on the same term and conditions. Further, in addition to interest subvention provided by Government under ISS, some State Governments also provide interest subsidy to make available short term crop loans to farmers at zero rate of interest.

The benefit of interest subvention is also available for an extended period upto six months to small and marginal farmers having Kisan Credit Card (KCC) for post-harvest crop loan for storing their produce against negotiable warehouse receipts. The purpose is to discourage distress sale of agriculture produce. Such short term crop loans restructured on account of natural calamities are also available for the first year at the sub-vented rate of 7%. These provisions are also continuing in 2018-19.
