

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

LOK SABHA
UNSTARRED QUESTION NO.3322
TO BE ANSWERED ON THE 1ST JANUARY, 2019

KISAN CREDIT CARDS

3322. SHRI BHAGWANTH KHUBA:

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

- (a) whether the Government issues any credit card for small farmers in the country;
- (b) if so, the details thereof;
- (c) whether the Government plans to issue Kisan Credit Cards without interests to improve the life of the farmers; and
- (d) 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): Yes, Madam. The Kisan Credit Card (KCC) Scheme which is in operation since August 1998, aims to provide adequate and timely credit support from the banking system under a single window to the farmers including small farmers for their cultivation & other needs including consumption and investment. The scheme is implemented through Scheduled Commercial Banks, Private Banks, Regional Rural Banks and Cooperative Banks.

As per the revised guidelines for KCC Scheme in 2012, the tenant farmers, oral lessees or share croppers are covered under the Scheme. The revised Scheme provides for sanction of the credit limit for 5 years with simplified renewal every year. The issue of smart-cum debit card, mandated under the revised guidelines, has enabled the farmers to access multiple delivery channels.

With a view to facilitate financial transactions by farmers on digital platform, Government has decided to convert the KCCs to RuPayKCCs in a time bound manner. The conversion of operative/live KCCs into RuPay/ATM-enabled KCCs has enabled easy and hassle free availability of credit to farmers and is likely to reduce the interest liability as it would encourage need based drawl of credit. As on 30.09.2018, a total number of 5.44 crore KCCs have been converted to RuPayKCCs.

(c) & (d): With a view to ensuring availability of agriculture credit, including loans taken against KCC, at a concessional interest rate to farmers, the Government is implementing

Contd...2/-

Interest Subvention Scheme (ISS) under which short term crop loans upto Rs. 3.00 lakh is provided to farmers at subvented interest rate of 7% per annum. Currently, besides 2% interest subvention, **3 percent incentive** is given for **prompt repayment** of loan thereby reducing the cost of loan to 4% per annum.

Further, to prevent distress sale of produce, the benefit of interest subvention is extended for a period of up to six months (post- harvest) to small and marginal farmers having Kisan Credit Card on loan against negotiable warehouse receipts.

In addition to interest subvention provided by Government of India under ISS, some State Governments also provide interest subsidy to make available short term crop loans to farmers at zero rate of interest.

In view of above, the Government at present is not considering any proposal to provide interest free loans to farmers.
