

Government of India  
Ministry of Finance  
Department of Financial Services

LOK SABHA  
Unstarred Question No. †138.  
Answered on Monday, February 3, 2020/Magha 14, 1941 (Saka)  
Loan Scheme for Farmers

†138. SHRIMATI KESHARI DEVI PATEL:  
SHRI KANAKMAL KATARA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any scheme or is formulating any scheme for providing loans to farmers within a stipulated time-frame, if so, the details thereof;
- (b) whether the Government is aware that due to the lackadaisical attitude of the bank employees, the farmers find it difficult to get the loan on time, if so, the details of the number of such cases which came to light;
- (c) whether there is a plan to issue helpline numbers or help desks etc. to ensure that farmers do not have any difficulty in taking loans, if so, the details thereof; and
- (d) the other steps taken by the Government to ensure that farmers do not have any problem in taking loans from banks?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI ANURAG SINGH THAKUR)

(a) to (c): In order to provide effective and hassle free credit to farmers for their short term credit requirements for cultivation of crops, investment credit requirement for agriculture and allied activities and other needs Government fixes agriculture credit disbursement targets for the banking sector every year and banks have consistently surpassed these targets. Details of target and achievement made in respect of agriculture credit flow during the last three years as reported by NABARD is as under:

(Amount in ` crore)

Year	Target	Achievement
2016-17	9,00,000	10,65,755.67
2017-18	10,00,000	11,62,616.98
2018-19	11,00,000	12,56,829.62

Source: NABARD

The Priority Sector Lending (PSL) directions of RBI mandate all Domestic Scheduled Commercial Banks to earmark 18% of their Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposure (OBE), whichever is higher, as on the corresponding date of the previous year, for lending to Agriculture including loans to farmers. Further, a sub-target of 8% for small and marginal farmers has also been fixed.

Government of India implements an interest subvention scheme under which short term crop loans up to ₹ 3.00 lakh are provided to farmers at a reduced interest rate of 7% p.a. Besides, additional 3% incentive is given to the farmers for prompt repayment of the loan, thereby reducing the effective rate of interest to 4%.

The Kisan Credit Card (KCC) scheme was introduced in 1998 for issue of KCC to farmers. The scheme aims at providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedure to the farmers to meet their short term credit requirements for cultivation of crops, investment credit requirement for agriculture and allied activities and other needs.

While the target for agriculture credit fixed by the Government has been surpassed each year, agriculture loans to farmers have also witnessed an increase over the years, which is indicative of progressive enhancement in the credit flow to the farm sector over time.

The Government has launched a Centralised Public Grievance Redress and Monitoring System (CPGRAMS) portal which provides the citizens with a platform for redress of their grievances. Banks ensure speedy redressal of complaints received by them directly as well as through the CPGRAMS –portal.

Also, complaints in regard to various issues relating to agriculture credit received by Government/RBI are taken up for appropriate redressal.

NABARD has informed that it has been providing grant support to banks for conduct of financial literacy and awareness programmes/camps and these programmes, among others, also include credit related issues.

(d): The Government/RBI has also taken the following major initiatives to facilitate hassle free credit to farmers:

- Under the KCC Scheme, a flexible limit of ₹ 10,000 to ₹ 50,000 has been provided to marginal farmers (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 investments without relating it to the value of land.
- To enhance coverage of small and marginal farmers in the formal credit system, RBI has decided to raise the limit for collateral-free agriculture loans from ₹ 1 lakh to ₹ 1.6 lakh.
- The requirement of 'no due' certificate has also been dispensed with for small loans up to ₹ 50,000 to small and marginal farmers, share-croppers and the like and, instead, only a self-declaration from the borrower is required
- To bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit, Joint Liability Groups (JLGs) have been promoted by banks.
- The Indian Banks' Association vide their letter dated 04.02.2019 have issued advisory guidelines to the banks to waive the processing, documentation, inspection, ledger folio charges and other service charges for KCC/crop loan upto ₹ 3 lakh, keeping in view of the hardship and financial distress of Small and Marginal Farmers.

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