

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 295**  
TO BE ANSWERED ON THE 15<sup>TH</sup> SEPTEMBER, 2020

**INCREASING INTEREST ON CROP LOANS**

295. SHRI MARGANI BHARAT:

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

- (a): whether it is true that many sections, including some of the States, are requesting for increasing the interest subvention rate on crop loans for farmers to 6 per cent;
- (b): if so, the action taken by the Government on the above request;
- (c): whether any provision has been made in this regard in the recently announced PM's Rs. 20 lakh crores Atmanirbhar package; and
- (d): if so, the details thereof and, if not, whether the Government is considering this?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

( a): As per information available, no request for increasing the interest subvention rate on crop loans for farmers to 6 per cent has been received. However, Department of Agriculture, Cooperation and Farmers Welfare implements the Interest Subvention Scheme (ISS) which provides concessional short-term Agri-loans to the farmers practising Crop husbandry, Animal husbandry, Dairying and fisheries. ISS is available to farmers availing short-term crop loans upto Rs.3.00 lakh at an interest rate of 7% per annum for one year. Additional 3% subvention is also given to the farmers for prompt and timely repayment of loans (Prompt Repayment Incentive- PRI); thus reducing the effective rate of interest to 4% per annum. In addition to this, many of the State Governments provide further interest subvention to the eligible farmers making the crop loans available even zero percent in certain cases.

- (b): In view of reply to ( a), the question does not arise.
- (c): No, Sir.
- (d): There is no such proposal under consideration of this Department.

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