

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

LOK SABHA
UNSTARRED QUESTION NO.1162
TO BE ANSWERED ON THE 9TH FEBRUARY, 2021

KISAN CREDIT CARD LIMIT

1162. SHRIMATI POONAMBEN MAADAM:

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

- (a) whether the Government is contemplating an increase to the credit limit of Kisan Credit Card (KCC) as the expenses of farmers are increasing;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (c): As per the KCC Master Circular of RBI, the credit limit under KCC is decided as per following method:

The amount of credit limit provided is as per Scale of finance for the crop (as decided by District Level Technical Committee) x Extent of area cultivated + 10% of limit towards post-harvest/household/ consumption requirements + 20% of limit towards repairs and maintenance expenses of farm assets + crop insurance and/or accident insurance including Personal Accidental Insurance Scheme (PAIS), health insurance & asset insurance.

For second & subsequent years the calculation is as follows:- First year limit for crop cultivation purpose arrived at as above plus 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd, 3rd, 4th and 5th year) and estimated term loan component for the tenure of Kisan Credit Card, i.e., five years. Hence, the maximum limit for KCC loan is not fixed.

Keeping in view the overall inflation and rise in agricultural input cost over the years since 2010, the limit for collateral free agricultural loans was raised from Rs. 1 lakh to Rs. 1.6 lakh.