

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

LOK SABHA
UNSTARRED QUESTION NO. 4212
TO BE ANSWERED ON THE 29TH MARCH, 2022

INCREASING PROCUREMENT LIMIT UNDER MIS

4212. SHRI RAHUL KASWAN :

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

- (a) whether the Government has received any proposal to increase the maximum limit of procurement cost from 25 per cent to 50 per cent proportionally borne by the Government of India and State Government to compensate loss on the sale of grains bought at cost price by State Government under Market Intervention Scheme (MIS);
- (b) whether any proposal has been received with regard to providing 3 per cent interest subvention to the farmers who have repaid their crop loans in a time bound manner; and
- (c) if so, the details thereof, State-wise including Rajasthan?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) : No such proposal has been received.

(b) & (c) : Government of India is implementing the Interest Subvention Scheme (ISS) with a view to provide short term agri-loans to the farmers at concessional rate of interest. Under the scheme, short term crop loan upto Rs. 3.00 lakh is available to farmers engaged in Agriculture and other allied activities at benchmark rate 9%, Government of India provides 2% Interest Subvention (IS) on the benchmark rate. Additional 3% subvention is also given to the farmers for prompt and timely repayment of loans; thus the effective rate of Interest comes down to 4% per annum. The benefits of ISS have also been extended to farmers in allied activities like Animal Husbandry and Fisheries to existing KCC holders within the overall limit of Rs.3.00 lakh and issue of new KCC for Animal Husbandry and Fisheries farmers with provision of benefit of IS & prompt repayment incentive (PRI) for loan amount upto Rs.2.00 lakh per annum. The interest subsidy provided to the banks (IS 2%) and farmers (3% PRI) in the last two years and current year are given as under:

(in Rs. Crore)

S. No.	Year	Final Grant
1	2019-20	16236.86
2	2020-21	19831.75
3	2021-22	18142.3

Under ISS, no direct funds/subsidy is released to the State Government or farmers. Funds are released to Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) for Settlement of claims received under the scheme from various Banks.
