

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

LOK SABHA
UNSTARRED QUESTION NO. 2386
TO BE ANSWERED ON 06TH AUGUST, 2024

ISSUE OF KCC TO FARMERS

2386. SHRI NAVASKANI K:
DR. THIRUMAAVALAVAN THOLKAPPIYAN:

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

- (a) the details of Kisan Credit Cards (KCCs) issued to farmers in the country including Tamil Nadu;
- (b) whether the Government is considering to provide more Kisan Credit Cards (KCCs) to the farmers and if so, the details thereof;
- (c) whether the Government is considering interest free loan to be disbursed through KCCs and if so, the details of the same;
- (d) whether a large number of farmers in the country do not have Kisan Credit Cards and if so, the details thereof and the reasons therefor;
- (e) whether the banks do not take keen interest towards issuing credit cards to the farmers and if so, the directives issued by the Government to banks in this regard; and
- (f) whether the Government will consider providing Kisan Credit Cards to all the eligible farmers in a time bound manner and if so, the details thereof?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) to (d): Details of operative Kisan Credit Card (KCC) as on 31.03.2024 in the country and in the state of Tamil Nadu is as under: -

States/UTs	Number of Operative Accounts
All States and UTs of the country	7,75,04,234
Tamil Nadu	40,31,906

Source: RBI and NABARD

The Kisan Credit Cards (KCC) are provided to all the willing farmers as per their eligibility. The credit limit/ loan amount under KCCs is fixed by Banks as per guidelines prescribed in the Master Circular dated 4th July, 2018 issued by Reserve Bank of India (RBI). It is determined on the basis of various parameters viz. scale of finance for the crop (as decided by District Level Technical Committee), extent of area cultivated, post-harvest/household/consumption requirements, repairs & maintenance expenses of farm assets and different insurance components, etc.

The government is implementing a 100% centrally funded Central Sector Scheme known as the Modified Interest Subvention Scheme (MISS). This scheme aims to provide concessional interest rates on short-term agricultural loans obtained by farmers through Kisan Credit Cards (KCC) for their working capital requirements. Under this scheme, farmers receive KCC loans at a subsidized interest rate of 7%. To facilitate this, an interest subvention (IS) of 1.5% is provided to financial institutions. Additionally, farmers who repay their loans promptly receive a 3% Prompt Repayment Incentive (PRI), effectively reducing the interest rate to 4% per annum. The benefits of IS and PRI are available for loan limits up to Rs. 3 lakhs. In the year 2018-19, the Government of India (GoI) expanded the KCC scheme to include Animal Husbandry and Fisheries. This extension was introduced to provide short-term working capital loans to farmers involved in these sectors. However, if the short-term loan is taken for allied activities (other than crop husbandry), the loan amount is limited to Rs. 2 lakhs only.

(e): The Govt. announces annual target of agriculture credit . Further RBI issues Priority Sector Lending (PSL) guidelines, for ensuring required credit flows to priority areas and as per the said guidelines, 18% of loans must go to agriculture sector making a further sub-limit of 10% reserved for small and marginal farmers annual credit target to be allocated to the agriculture sector. Reserve Bank of India issues master circular on implementation of KCC scheme followed by more instructions from time to time. This Government and Banks are actively involved in the promotion of KCC scheme with a view to provide easy access to institutional credit to farmer.

(f): The Government has taken various initiatives and organized campaigns from time to time to increase the coverage of KCC. One of the significant steps was the launch of the Rupay KCC scheme in 2012. This scheme aims to provide adequate and timely credit support from the banking system under a single window with a flexible and simplified procedure for farmers to meet their cultivation and other short-term needs. Further exclusive campaigns such as Kisan Bhagidari Prathmikta Humari, Ghar Ghar KCC Abhiyaan were launched to increase the coverage of KCC. This has also been taken up under various other campaigns such as PM JANMAN, and Viksit Bharat Sankalp Yatra etc.
