

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

LOK SABHA
UNSTARRED QUESTION No. 3857
TO BE ANSWERED ON THE 12TH AUGUST, 2025

MODIFIED INTEREST SUBVENTION SCHEME

3857. SHRI BASAVARAJ BOMMAI:

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

- (a) whether the Government approves continuation of Modified Interest Subvention Scheme (MISS) aimed at ensuring the availability of short-term credit to farmers at an affordable interest rate;
- (b) if so, the details thereof and the number of farmers presently availing Short-Term Agriculture Operation loans under the MISS through Kisan Credit Cards in the country, State- wise particularly in the State of Karnataka;
- (c) the latest total amount of interest subvention disbursed to financial institutions under the scheme;
- (d) whether some of the Primary Agricultural Credit Societies and other cooperative institutions are implementing the scheme and if so, the details thereof and the volume of credit routed through them; and
- (e) the steps taken by the Government to strengthen the rural credit ecosystem and to boost agricultural growth through timely and affordable credit access?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) to (c): Yes sir. The Government has approved the continuation of the Modified Interest Subvention Scheme (MISS) for the F.Y. 2025-26. 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 up front 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. 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.

Details of State wise number of operative KCC accounts including Karnataka, as on 31 March 2025, is at **Annexure-I**. The total interest subsidy (both Interest Subvention and Prompt Repayment Incentive) disbursed under MISS for the year 2024-25 is as under:

(Amount in Rs. Cr)

S. No.	Year	Disbursement of funds
1.	2024-25	17811.72

(d): Yes Sir. Rural Cooperative Banks (RCBs) viz., District Central Cooperative Banks (DCCBs) and State Cooperative Banks (StCBs) are implementing the Kisan Credit Card (KCC) Scheme. The details of Operative KCC accounts in Rural Cooperative Banks (RCBs) as on 31 March 2025 are as under:

(Amount in Rs. Cr)

Bank	No. of Operative KCCs	Credit Extended
Rural Cooperative Banks	3,34,29,368	2,20,260.24
Total Operative KCC (PSBs, PvBs, RRBs and RCBs)	7,72,10,538	10,20,071.63

Source: RBI and NABARD

PSBs: Public Sector Banks; PvBs: Private Sector Banks; RRBs: Regional Rural Banks

(e): The following steps have been taken to strengthen the rural credit ecosystem and to boost agriculture growth through timely and affordable credit:-

- i. It has been constant endeavour of the Government to boost agriculture sector through effective and hassle-free credit, for which the Government sets Ground Level Credit (GLC) Target for agriculture sector. The average achievement under agriculture credit during the last 5 years (2020-21 to 2024-25) has been nearly 113% of the target. Agriculture credit target for year 2025-26 has been set at ₹32.50 lakh crore with a sub-target of ₹ 5.0 lakh crore for Animal Husbandry, Dairying and Fisheries farmers.
- ii. As per priority Sector Landing (PSL) regulation government has mandated that banks will provide 18% of their total loans to agriculture and allied sector. Since 2016 a sub limit has been fixed for small and marginal farmers which at present is 10%.

- iii. The government is implementing a 100% centrally funded Central Sector Scheme known as the Modified Interest Subvention Scheme (MISS) across various States and UTs in pan India. 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.
- iv. Due to KCC-MISS scheme access to easy and affordable credit has increased significantly to farmers to meet their operational needs. The number of operative KCC accounts has reached to 7.72 crore in 2024–25, which has contributed to an increase in **credit extended** amount from ₹4.26 lakh crore in 2013–14 to ₹10.20 lakh crore in 2024–25.
- v. Over the past eleven years, farmers has availed ₹1.62 lakh crore as interest subvention on loans through KCCs.
- vi. Similarly, the total credit flow to the agriculture sector has nearly grown four times rising from ₹7.3 lakh crore in 2013–14 to ₹28.69 lakh crore in 2024–25.
- vii. Recently, RBI has increased collateral free loan limit in KCC for existing Rs 1.6 lakh to Rs 2 lakh w.e.f., 01.01.2025. This move enhances credit accessibility, particularly for small and marginal farmers, who benefit from reduced borrowing costs and the removal of collateral requirements.
- viii. Government have been taking multiple initiative to make this accessible to farmers through regular IEC campaigns organized by banks, State Government/ Central Government, RBI, NABARD, etc, besides, technology intervention like Kisan Rin Portal (KRP).
