



Agriculture Credit Made Easy

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With a view to ensuring availability of agriculture credit, including loans taken against Kisan Credit Card (KCC), at a reasonable cost or at a reduced rate of 7% per annum to farmers, Government of India, had introduced an interest subvention scheme (2%) for short-term crop loans up to Rs. 3 lakh. 3% additional incentive is given for prompt repayment of loan reducing the cost to 4%. While earlier this subvention was available for a maximum period of one year, in order to discourage distress sale of crops by farmers, the benefit of interest subvention has been made available to small and marginal farmers having KCC for a further period of up to six months (post-harvest) at the same rate as available to crop loan against negotiable warehouse receipts issued on the produce stored in warehouses accredited with the Warehousing Development Regulatory Authority. Loans restructured on account of natural calamities are also available for the first year at the subvented rate of 7%.

National Bank for Agriculture and Rural Development (NABARD) raised market borrowing for short-term borrowings at prevailing market rate of interest for Rs. 17,881 crore and disbursed the same under refinance for on-lending to Cooperative Banks at 4.5% rate of interest during 2016-17.

This information was shared by Shri Shiv Pratap Shukla, Minister of State for Finance in Lok Sabha today.

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