

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1561

ANSWERED ON:04.03.2011

PARITY BETWEEN SHORT AND MEDIUM TERM CROP LOANS

Meghwal Shri Bharat Ram

**Will the Minister of FINANCE be pleased to state:**

(a): whether the Government proposes to provide medium term crop loans to the affected farmers at the same rate of interest and interest subvention as in the case of short term crop loans; and

(b) if so, the details thereof and if not, the reasons therefor?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): No such proposal is under consideration of the Government of India. The Government of India has since 2006-07 been subsidizing short term crop loans to farmers in order to ensure the availability of crop loans to farmers for loans up to Rs.3.00 lakh, at 7 % p.a. This Interest Subvention Scheme has been further continued for 2010-11 for Public Sector Banks, Regional Rural Banks and Cooperative Banks. This year an additional subvention of 2% to farmers, who repay on time has been provided. Thus, the effective rate of interest for such farmers is five per cent per annum for 2010-11. In the year 2011-12, it is proposed to provide these loans @ 4% p.a. to prompt repaying farmers under the Interest Subvention Scheme 2011-12.