

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3046  
ANSWERED ON:19.08.2011  
INTEREST RATE ON AGRICULTURE LOANS  
Roy Shri Arjun;Yadav Shri Dinesh Chandra

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

- (a) whether the Government has given directions for providing agriculture loan to farmers at four per cent rate of interest;
- (b) if so, the details thereof ;
- (c) whether there is a need for providing post-production loan to the farmers at the same rate of interest for proper management of post production requirements such as storage;
- (d) if so, the details thereof; and
- (e) the action taken by the Government in this regard so far?

**Answer**

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

(a) to (e) : The Interest Subvention Scheme of the Government of India is being implemented by Public Sector Banks, Regional Rural Banks and Cooperative Banks since 2006-07 to provide short-term crop loans upto Rs. 3 lakh for a period of one year available to farmers at the interest rate of 7 percent per annum. The Government of India has since 2009-10 been providing additional interest subvention to prompt payee farmers, i.e. those who repay their loan in time. The additional subvention was 1% in 2009-10 and 2% in 2010-11. This is being increased to 3% in 2011-12. Hence the prompt payee farmers will get the short term crop loan upto Rs.3 lakh at the rate of 4% p.a. in 2011-12.