

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1980
ANSWERED ON:02.12.2011
INTEREST RATE ON LOANS TO FARMERS
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Will the Minister of FINANCE be pleased to state:

- (a) the details of the amounts of loan provided under crop insurance scheme during the last three years, State-wise;
- (b) whether the Government has allocated any funds to reduce the interest rate being charged from the farmers;
- (c) if so, the details thereof;
- (d) whether the farmers have benefited from this reduction in the rate of interest; and
- (e) if so, the details thereof alongwith the reaction of the Government thereon?

Answer

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

(a) to (e) : The State-wise details of farmers covered under National Agriculture Insurance Scheme and Weather based Crop Insurance Scheme is at Annex-I and II respectively.

The Government of India is implementing Interest Subvention Scheme since 2006-07 to make 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 payees 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.

The Government of India has released Rs. 3531.19 crore in the year 2010-11 towards implementation of the scheme.