

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1818

ANSWERED ON:23.03.2012

INTEREST RATE ON LOANS TO FARMERS

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

- (a) whether the Government has issued directions to the banks to provide loans to the farmers at subsidised rate of interest so as to prevent distress sale of foodgrains in the country;
- (b) if so, the details thereof, State-wise including Uttar Pradesh and the achievements thereof alongwith the number of farmers likely to be benefited from such loans ; and
- (c) the time by which such loans are likely to be provided to the farmers?

**Answer**

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

(a) to (c) : The Interest Subvention Scheme is being implemented by the Government of India 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 has been increased to 3% in 2011-12.

Further, Interest Subvention Scheme 2011-12 also provides benefit to small and marginal farmers having Kisan Credit Card for a further period of up to six months post harvest on the same rate as available to crop loan against negotiable warehouse receipt for keeping their produce in warehouses. The State-wise details of the crop loan disbursed by Regional Rural Banks (RRBs) and Cooperative banks in 2011-12 as on 31.12.2011, in the current year is enclosed at Annex.