

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3731
ANSWERED ON:27.04.2012
CROP LOANS
Shivanagouda Shri Shivaramagouda

Will the Minister of FINANCE be pleased to state:

- (a) whether his Ministry has taken note that faster loan given by banks for various crops are not able to meet even the minimum expenditure incurred to produce a crop;
- (b) if so, whether the Government proposes to revise the crop loan given for various crops scientifically?
- (c) if so, give details; and
- (d) if not, the reasons therefor?

Answer

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

(a) to (d): The scale of finance for different crops are estimated scientifically by the District Level Technical Committee (DLTC). All financing banks follow the scale of finance prescribed by DLTC for providing crop loan to farmers under Kisan Credit Cards (KCC). The scales of finance for various crops are worked out based on actual cost of cultivation as discussed by the group and adopted. Usually, the cost comprises the component such as seeds, fertilizers, pesticides, electricity/diesel cost and labour. The scales of finance are fixed differently for irrigated/un-irrigated crops and the same varies from district to district. Besides the scale of finance, the assessment of loan includes the assessment of insurance premium and components towards post-harvest /household/consumption requirements as well as limits towards maintenance expenses of farm assets.