

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2454

ANSWERED ON:12.03.2013

LOANS FOR PURCHASING OF CATTLE

Bhaiya Shri Shivraj;Ju Dev Shri Dilip Singh;Kaswan Shri Ram Singh

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government provides loan to the farmers at 3 per cent rate of interest for agricultural works whereas no rebate on interest on loan for dairy business is provided despite the dairy business being a supplementary component of agriculture;

(b) if so, the reasons therefor;

(c) whether the Government has taken any steps to provide loans to the farmers at lower rate of interest for buying cattle in various States including Rajasthan, Chhattisgarh and Madhya Pradesh; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE FOR AGRICULTURE AND FOOD PROCESSING INDUSTRIES (DR. CHARAN DAS MAHANT)

(a) & (b) Government of India provides interest subvention at 2% per annum to Public Sector Banks (PSBs), Co-operative Banks and Regional Rural Banks (RRBs) on their own funds used for short term crop loan upto Rs.3.00 lakh per farmer provided the lending institutions make available short term credit at the ground level at 7% per annum to farmers. An additional interest subvention at 3% is available to the "prompt paying farmers" by National Bank for Agriculture and Rural Development (NABARD). Thus, the prompt paying borrower/farmer would get short term crop loans at 4% per annum. However, this benefit of interest subvention is not available for investment activities i.e, long term loans for agriculture and allied activities including loans for Dairy.

(c) & (d) The Department of Animal Husbandry, Dairying & Fisheries does not have any scheme to provide loans at lower interest rate to farmers for purchasing cattle. However, the Department is implementing "Dairy Entrepreneurship Development Scheme" (DEDS) through National Bank for Agriculture and Rural Development (NABARD) in which back ended capital subsidy (25% of the project cost for General Category and 33.33% for SC & ST beneficiaries) is provided through eligible financial institutions, subject to the norms of the scheme. One of the components of DEDS is establishment of small dairy units of 2 to 10 crossbreed cows, indigenous descript milch cows and graded buffaloes. The Scheme is available throughout the country including Rajasthan, Chhattisgarh and Madhya Pradesh.