

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**RECOMMENDATION FOR EXTENSION OF SUBVENTION SCHEME FOR POST
HARVEST MANAGEMENT LOANS FOR FARMERS**

**PROMPT PAYEE FARMERS TO GET SHORT TERM CROP LOAN UPTO RS. 3 LAKH
@4 PER CENT P.A. IN 2011-12.**

**New Delhi, Bhadrapada 8, 1933
August 30, 2011**

The Ministry of Consumer Affairs, Food and Public Distribution has proposed extension of the pre harvest interest subvention scheme of Government of India for post harvest management loans for the farmers.

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 per cent 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 per cent 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.

This information was given by the Minister of State for Finance Shri Namo Narain Meena in a written reply to a Question in Rajya Sabha today.

DSM /PM