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Title: Need to continue Interest Subvention Scheme for short-term crop loans for farmers .

SHRI S.R. VIJAYA KUMAR (CHENNAI CENTRAL): Hon. Deputy-Speaker, Sir, RBI in its circular dated 16th April, 2015 has indicated that the Government of India is considering certain changes to the Interest Subvention Scheme for short-term crop loans for farmers. It has indicated that the Government of India decided as an interim measure to implement the Scheme as it exists till 30th June, 2015. As the majority of farmers in Tamil Nadu would require loans only after June for the Kuruvai season and after August-September for the Samba crop and other crops, the Interest Subvention Scheme should be continued beyond 30th June, 2015 so that the farmers are assured of easy credit during the main cropping season in Tamil Nadu. Also, the proposed DBT based reimbursement is not an appropriate model for farm credit.

In this context, I may mention that Tamil Nadu Government under the able Guidance of Dr. Amma is providing a further 4 per cent interest subvention in addition to 2 per cent by banks and 3 per cent additional subvention to those who repay promptly, making farm credit interest free for those farmers who avail of loans through the co-operative system and promptly repay their loans.

Keeping in view the interest of the farmers, I urge upon the Government to discuss this issue with all the Chief Ministers and take a decision after consent and concurrence of the States if it intends to bring any changes in the Scheme.