



# drishti

## Kisan Credit Card (KCC) Saturation Campaign

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Recently, banks have kickstarted a **Kisan Credit Card (KCC) saturation campaign**, for giving Kisan Credit Card (KCC) loans to farmers who have not been given such loans.

- According to the Ministry of Agriculture and Farmers' Welfare, **currently there are 6.92 crore live KCCs, against 14.5 crore operational landholdings.**
- The scheme comes with an **ATM-enabled RuPay debit card** with facilities for one-time documentation, built-in cost escalation in the limit, and any number of drawals within the limit.
- Besides ensuring saturation, banks will also be taking steps to **link Aadhaar** immediately as **no interest subvention** will be given if the Aadhaar numbers are not seeded to KCC accounts.
- Also, the government has taken several initiatives for KCC saturation which include adding farmers engaged in **animal husbandry and fisheries, no processing fee of loan under KCC and raising limit of collateral free agriculture loan from ₹ 1 lakh to ₹1.6 lakh.**

### Kisan Credit Card

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- The Kisan Credit Card (KCC) scheme was **introduced in 1998** for providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedure to the farmers for their cultivation and other needs like purchase of agriculture inputs such as seeds, fertilizers, pesticides etc. and draw cash for their production needs.
- The scheme was further extended for the investment credit requirement of farmers viz. allied and non-farm activities in the year 2004.
- **KCC covers post-harvest expenses, produce marketing loan, consumption requirements of farmer household, working capital for maintenance of farm assets and activities allied to agriculture, investment credit requirement for agriculture and allied activities.**
- The Kisan Credit Card Scheme is implemented by Commercial Banks, RRBs, Small Finance Banks and Cooperatives.

## Interest Subvention Scheme

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- It aims to provide short-term crop loans up to ₹3 lakh to farmers at an interest rate of **7 per cent per annum**.
- Lending institutions – PSBs and private sector commercial banks **offer interest subvention of 2 per cent by the government**.
- The policy came into force with effect from 2006-07
- The Interest Subvention Scheme is being implemented by **NABARD** and **RBI**.

**Source: THBL**