Ministry of Agriculture & Farmers Welfare

Government Strengthens Farmer Support through Continued Interest Subvention – KCC and MISS Remain Cornerstone of Agri Credit

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In a significant decision to support farmers across the country, the Union Cabinet has approved the continuation of the **Modified Interest Subvention Scheme (MISS)** for the financial year 2025–26. Under this scheme, **1.5% interest subvention** will continue to be provided to banks for short-term crop loans up to ₹3 lakh issued through the **Kisan Credit Card (KCC)** platform.

This decision ensures that **farmers will continue to get short-term agricultural loans at an effective interest rate of just 4%**, provided they repay on time and avail the **3% Prompt Repayment Incentive (PRI)**.

What This Means for Farmers:

- **Affordable Loans:** Farmers can access working capital at **just 4% interest**, among the lowest rates globally.
- **Flexible Credit Access:** KCC offers revolving credit for up to **five years**, letting farmers withdraw funds as needed.
- **Disaster Support:** In case of natural calamities, interest relief continues for **up to one year**, and up to **five years** in severe disasters.
- **Support for Small and Marginal Farmers:** With 76% of agri-credit accounts now held by small farmers, the scheme continues to **empower the backbone of Indian agriculture**.
- **No Collateral Needed:** Farmers can avail loans **up to ₹2 lakh without collateral**.
- **Boost in Farming Productivity:** Easy credit allows use of better seeds, fertilizers, and tools, helping farmers improve yields and incomes.

Credit Growth Reflects Success:

- Credit flow through KCC has **more than doubled** from ₹4.26 lakh crore (2014) to **₹9.81 lakh crore (2024).**
- Overall agricultural credit flow has risen from ₹7.3 lakh crore to **₹25.49 lakh crore** during the same period.
- The share of institutional credit has grown to over **75%**, reducing dependence on informal moneylenders.
- Non-Performing Assets (NPAs) in the agriculture sector improved from 8.9% in 2019 to 7.2% in 2023, while **KCC NPAs declined from 12.66% in 2021–22 to 11.5% in 2023–24**, indicating better credit performance and recovery.

Digital Reform for Transparency – Kisan Rin Portal (KRP):

The government has also launched the **Kisan Rin Portal (KRP)** to track interest subvention claims digitally. This portal ensures **faster disbursement**, **greater transparency**, and **accountability**, benefiting both farmers and banks.

Looking Ahead:

The government remains committed to **enhancing the KCC limit to ₹5 lakh**, as announced in the Union Budget 2025. While this proposal is under active consideration, today's Cabinet decision ensures **seamless**

continuation of support to farmers under existing provisions.

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