



KAMARAJ IAS ACADEMY
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Kisan Credit Card scheme

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The Kisan Credit Card (KCC) scheme was **introduced in 1998** for issue of Kisan Credit Cards to farmers on the basis of their holdings for uniform adoption by the banks so that farmers may use them to **readily purchase agriculture inputs such as seeds, fertilizers, pesticides etc. and draw cash for their production needs.**

This model scheme was prepared by the National Bank for Agriculture and Rural Development (NABARD) on the **recommendations of the R. V. Gupta Committee** to provide advances for agricultural needs.

Its objective was to meet the comprehensive credit requirements of the agriculture sector and by 2019 for fisheries and animal husbandry by giving financial support to farmers.

Participating institutions include all **commercial banks, Regional Rural Banks, and state co-operative banks.**

The scheme entails **short-term credit for crops and term loans.**

Eligibility: The age of the applicants or farmers must be between **18-60 years old**. Applicants (individuals/groups of people) **must own agricultural land**. In case individuals/group of people do not have their own land, they **must take rented land for cultivation.**

KCC credit holders are also covered under **personal accident insurance** up to ₹50,000 for death and permanent disability, and up to ₹25,000 for other risks. The premium is borne by **both the bank and the borrower in a 2:1 ratio.**

The validity period is **five years**, with an option to extend it up to three more years.

Kisan Credit Card (KCC) credit to the farmers is of two types, viz., 1. **Cash Credit** (for working capital) and 2. **Term Credit** (for capital expenditure such as the purchase of cattle, pump sets, land development, plantation, drip irrigations, etc).