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TITLE: ROLE OF KISAN CREDIT CARD (KCC)

~Sadia Muskan

INTRODUCTION

Imagine a farmer standing in his field at the start of the cropping season, needing manpower, irrigation facilities, pesticides, fertilizers, and seeds. All of this requires money, but the crop won't start making money until it is harvested. To bridge the gap between income and expenditure' the government of India launched the Kisan Credit Card (KCC).

The Kisan Credit Card is a financial facility that enables farmers to obtain credit for their agricultural needs at the right time and at a favourable cost without having to go through lengthy loan application process in every cropping season. It is a far more than just a means of securing a loan, it serves as a vital support system for farmers.

In 2004, the scope of the KCC program was expanded to include investment credit for activities allied to agriculture. While the government lays down the general guidelines for the program, its operational details may vary based on the institutional and local requirements of the banks.

1. OBJECTIVE

- Meeting short-term credit requirements for crop cultivation;
- Post-harvest expenses;
- Availing marketing loans;
- Consumption needs of farming families;
- Working capital for farming operations and maintenance of farm assets;
- Financing requirements for investment in agriculture and allied sectors.

2. QUALIFICATIONS

Tenant farmer: Tenant farmers, oral lessees, and sharecroppers;

All farmers: individual or joint borrowers who are owner cultivators;

Joint Liability Groups (JLGs) or Self-help Groups (SHGs) of farmers, such as sharecroppers and tenant farmers[1]

3. SALIENT FEATURES OF KCC

The KCC program offers features such as an ATM-enabled RuPay card, one-time documentation, a fixed limit (cap) that accounts for rising costs, and the flexibility to make multiple withdrawals within that limit.

The National Payments Corporation of India (NPCI) developed and launched the RuPay domestic card program. It was created to fulfill the Reserve Bank of India's objective of establishing an open-loop, multilateral, domestic payment system in India.

RuPay enables all Indian banks and financial institutions to accept electronic payments.

In 2004, the scope of this program was expanded to enable farmers to obtain investment loans for agriculture-related industries and non-farm activities.

The KCC scheme caters to requirements such as post-harvest expenses, loans for produce marketing, household needs of the farming family, working capital for the maintenance of farm assets and related activities, and investment credit for agriculture and allied activities. Commercial banks, Regional Rural Banks (RRBs), Small Finance Banks, and cooperative banks implement the Kisan Credit Card scheme.

4. REQUIRED DOCUMENTS[2]

1. Application Form.
2. Two Passport Size Photographs.
3. ID proof such as Driving License / Aadhar Card / Voter Identity Card / Passport.
4. Address Proof such as Driving License, Aadhar Card.
5. Proof of landholding duly certified by the revenue authorities.
6. Cropping pattern (Crops grown) with acreage.
7. Security documents for loan limit above Rs.1.60 lakhs / Rs.3.00 lakhs, as applicable.
8. Any other document as per sanction.

5. BENEFITS

- Availability of timely credit
- Reduced dependence on moneylenders
- Lower interest rates

[1] My scheme government, www.myschenegov.in (12th June 2026)
[2] Kisan rin portal, www.fasalrin.gov.in (12th June 2026)

- Flexible credit facility
- Easy loan process

6. CHALLENGES

- Lack of information in remote areas.
- Tenant farmers face challenges in establishing their production rights.
- Delays in the application process in some areas.
- Low levels of digital literacy among some farmers.

7. KCC'S SIGNIFICANCE IN INDIA

Agriculture continues to play a vital role in India's economy. Farmers are able to purchase high-quality seeds, fertilizers, equipment, and irrigation systems only when they can access timely loans at reasonable rates. The Kisan Credit Card is crucial for ensuring that farmers have access to the necessary funds exactly when they need them most.

Simply put, the Kisan Credit Card acts as a financial safety net for farmers. Instead of worrying about arranging funds at high interest rates, it enables farmers to focus on crop cultivation. The KCC program strengthens farmers and the agricultural sector by providing accessible and affordable financing, thereby fostering rural development and national food security.[3]

8. CONCLUSION:

The Kisan Credit Card (KCC) scheme has emerged as one of the most significant initiatives launched by the Government of India to support the agricultural sector. By providing farmers with timely, affordable, and hassle-free credit (loans), the scheme has helped bridge the financial gap between farming expenses and income generated from crops.

This scheme not only assists in crop cultivation but also promotes allied activities such as dairy farming, fisheries, and animal husbandry, thereby contributing to the overall development of the rural economy. Features like easy cash withdrawal facilities, simplified documentation, and the RuPay Kisan Card have made agricultural credit more accessible and farmer-friendly. However, despite its many benefits, certain challenges limit the scheme's effectiveness. A lack of awareness in remote areas, difficulties faced by tenant farmers in proving their cultivation rights, delays in the loan process, and a lack of digital literacy among some farmers remain major concerns. The scheme's impact could be further strengthened by addressing these issues through enhanced awareness campaigns, improved banking access, and inclusive credit policies.

However, despite its numerous benefits, certain challenges continue to limit the scheme's effectiveness. Lack of awareness in remote areas, difficulties faced by tenant farmers in proving

[3] PM Kisan samman nidhi, www.pmkisan.gov.in (15th June 2026)

cultivation rights, delays in loan processing, and limited digital literacy among some farmers remain significant concerns. Addressing these issues through greater awareness campaigns, improved banking outreach, and inclusive credit policies can further strengthen the impact of the scheme.