



A Study on Kisan Credit Card Scheme and its Role in Agricultural Finance

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How to Cite this Article:

Nirgude, S. R. & Jagtap, S. (2026). A Study on Kisan Credit Card Scheme and its Role in Agricultural Finance. International Journal of Creative and Open Research in Engineering and Management, <i>02</i>(05).
<https://doi.org/10.55041/ijcope.v2i5.516>

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Abstract—

Provide a clear, well-structured, and informative summary of your research that highlights the essential aspects of the study. The abstract should briefly explain the purpose and significance of the research, outlining the problem addressed and the motivation behind the work. It should then describe the methodology or approach used, including key techniques, tools, datasets, or theoretical frameworks applied in the study. Following this, summarize the major findings or results, emphasizing the most important outcomes, observations, or contributions generated through the research process. Conclude the abstract by presenting the primary implications, conclusions, and potential applications of the work, as well as its relevance to the field of study.

The abstract must be written in a concise, objective, and reader-friendly manner so that it can stand alone as a complete overview of the paper. It should accurately reflect the core contribution and novelty of the research without including unnecessary background information or overly detailed explanations. Avoid the use of citations, references, figures, or tables in the abstract, and do not include undefined abbreviations or technical jargon that may limit readability for a broader academic audience.

The content should be logically organized in a single paragraph, maintaining coherence and clarity throughout. Ensure that the abstract captures the research context, problem statement, approach, key results, and final conclusions in a balanced manner. It should provide enough detail to help readers quickly understand the scope and value of the study while encouraging them to read the full paper. The recommended length is between 150 and 250 words; however, it may extend up to 500 words if necessary to clearly communicate the research objectives, methods, findings, and significance.

Keywords— List 4–6 relevant keywords separated by semicolons.

The project titled “*A Study on Kisan Credit Card Scheme and Its Role in Agricultural Finance*” focuses on evaluating the effectiveness of the Kisan Credit Card Scheme in providing timely and adequate financial support to farmers. Agriculture is a key sector of the Indian economy, and access to institutional credit is essential for improving productivity and ensuring the financial stability of farmers.

The scheme was introduced to simplify the agricultural credit system and reduce farmers’ dependence on informal sources of finance. This study examines farmers’ awareness, accessibility of credit, ease of loan procedures, and utilization of funds for agricultural purposes.



Both primary and secondary data were used in the study. Primary data was collected through questionnaires from farmers, while secondary data was gathered from books, journals, and government reports. The findings reveal that the scheme has significantly improved access to formal credit, reduced financial burden, and supported better agricultural practices and productivity

Keywords-

Kisan Credit Card Scheme, Agricultural Finance, Farmers, Institutional Credit, Rural Development, Banking Services, Crop Production, Financial Assistance.

I. INTRODUCTION

Agriculture is one of the most important sectors of the Indian economy, as it provides employment and livelihood to a large portion of the population. Farmers require timely financial support for purchasing seeds, fertilizers, pesticides, machinery, and other agricultural inputs. However, due to lack of adequate institutional credit facilities, many farmers depend on moneylenders who charge high rates of interest, leading to financial difficulties and debt burdens.

To overcome these problems and provide easy access to agricultural credit, the Government of India introduced the Kisan Credit Card Scheme in 1998. The scheme was launched to simplify the process of obtaining loans and to ensure that farmers receive adequate and timely credit support for agricultural and allied activities. Under this scheme, farmers can avail short-term loans from banks at reasonable interest rates with flexible repayment options.

This project focuses on studying the role and effectiveness of the Kisan Credit Card Scheme in agricultural finance. It aims to analyze the awareness level among farmers, the accessibility of credit facilities, the benefits received under the scheme, and the challenges faced during its implementation. The study also examines the contribution of banks and financial institutions in promoting the scheme and supporting farmers financially.

The project helps in understanding how the Kisan Credit Card Scheme has improved farmers' access to formal credit, reduced dependence on informal sources of finance,

and contributed to agricultural development and rural economic growth.

II. LITERATURE REVIEW

Several studies have highlighted the importance of institutional credit in improving agricultural productivity and farmers' economic conditions. Researchers have observed that the Kisan Credit Card Scheme has simplified the process of obtaining agricultural loans and provided timely financial assistance to farmers.

Previous studies show that the scheme has helped reduce farmers' dependence on moneylenders and encouraged the use of formal banking services. Researchers also found that easy access to credit through KCC enables farmers to purchase quality seeds, fertilizers, and modern farming equipment, leading to improved crop production and income.

Many scholars have emphasized the positive role of banks and financial institutions in implementing the scheme effectively. However, some studies also point out challenges such as lack of awareness among farmers, delays in loan processing, complicated documentation procedures, and limited access in rural areas.

III. METHODOLOGY

The research study on the Kisan Credit Card Scheme is based on both primary and secondary data. Primary data was collected from farmers through structured questionnaires and personal interactions to understand their awareness, usage, and opinions regarding the KCC scheme. Secondary data was collected from books, research



articles, government reports, bank publications, and reliable online sources.

The study mainly focuses on analyzing the role of the Kisan Credit Card scheme in providing agricultural finance and improving farmers' access to institutional credit. The collected data was analyzed using simple statistical and descriptive methods to draw meaningful conclusions about the effectiveness of the scheme

IV. RESULTS AND DISCUSSION

1. Awareness about KCC Scheme

The study reveals that a majority of farmers are aware of the Kisan Credit Card scheme. Most of them came to know about the scheme through banks, government officers, and fellow farmers. However, a small percentage of farmers still lack complete knowledge about its features and benefits.

2. Source of Information

Banks are the primary source of information for farmers regarding the KCC scheme. Other sources include friends, relatives, and local agents. This shows that financial institutions play a key role in spreading awareness.

3. Usage of KCC Loans

Most farmers use KCC loans for purchasing agricultural inputs such as seeds, fertilizers, pesticides, and equipment. Some farmers also use the credit for allied activities like dairy and poultry.

V. CONCLUSION

The present study on the Kisan Credit Card (KCC) scheme clearly shows that the scheme has played a significant role in improving the financial condition of farmers and strengthening agricultural finance. The majority of farmers are aware of the scheme and are actively using it for their agricultural needs. This indicates that the scheme has successfully reached a large number of beneficiaries and has created a positive impact at the ground level.

The study highlights that KCC has made it easier for farmers to access institutional credit. Farmers are now less dependent on moneylenders, which helps them avoid high interest rates and financial exploitation. The availability of timely credit allows farmers to purchase essential inputs such as seeds, fertilizers, and equipment, which ultimately improves agricultural productivity. This shows that the scheme is fulfilling its primary objective of supporting farmers financially..

ACKNOWLEDGMENT

I express my sincere gratitude to all those who supported and guided me in the successful completion of this project on "*A Study on Kisan Credit Card Scheme and Its Role in Agricultural Finance.*" I am thankful to my teachers and project guide for their valuable guidance, encouragement, and suggestions throughout the study.

I also thank the farmers and respondents who provided important information and cooperation during the data collection process. Lastly, I am grateful to my family and friends for their continuous support and motivation during the completion of this project.

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