

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:3555  
ANSWERED ON:20.08.2004  
WAIVER OF COFFEE GROWERS LOAN  
Gowda Shri D.V. Sadananda

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) initiative taken by the Government to encourage the Coffee Growers when the prices are falling;
- (b) whether the request of the Coffee Growers to waive the accrued interest on their loans is being considered, if so, the total amount required for this waiver; and
- (c) is there any proposal regarding imposing not more than 6% of interest on the loans raised by the Coffee Growers?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY ( SHRI E.V.K.S. ELANGO VAN)

(a): The Government of India is aware of the difficulties being faced by the coffee growers due to the present low prices of coffee and has taken a series of steps for the benefit of coffee growers. The steps includes re-phasing/restructuring of loans taken by the coffee growers from commercial banks by way of Special Coffee Term Loan (SCTL), interest subsidy to large and small coffee growers on repayment of working capital loans taken from financial institutions, reduction of import duty on specified machinery for coffee sector to 5% to enable the industry to improve the productivity and quality of coffee for making it globally competitive. Commercial banks have also agreed to extend crop loans upto a maximum of Rs. 50 lakhs at 9% interest so as to benefit the coffee growers having land holdings upto 60 ha. In addition, the Government of India has also set up a Price Stabilization Fund with a corpus of Rs. 500 crore for the benefit of tea, coffee, rubber and tobacco growers.

(b) & (c): Government of India has received representations from coffee growers from Karnataka for providing certain relief covering, inter alia, a request for the waiver of accrued interest and lowering rates of interest on the loans.