

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:553

ANSWERED ON:03.12.2004

PROGRESS IN FARM LENDING

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is reviewing the progress made in farm lending; (
- (b) if so, the details thereof; and
- (c) whether the Government has decided to call the Indian Banks Association meeting of all the Chairmen of banks with RBI Governor to review the progress made up to August, 2004;
- (d) if so, the facts thereof and whether all bank managers would also be held accountable in this regard;
- (e) whether the Government proposes to take services of agriculture experts, while providing loan to farmers;
- (f) if so, the details thereof; and
- (g) the action proposed to be taken by the Government against banks for failure in achieving the desired target and not following the directions of Reserve Bank of India ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (Shri S.S. Palanimanickam)

(a) to (g): The progress in implementation of the announcement made by the Government on 18.6.2004 for doubling the flow of credit to agriculture and allied activities in 3 years and to achieve the growth of 30% in disbursement during the year 2004-05 is being reviewed on a regular basis by the Government and NA.BARD. A meeting was also taken by the Finance Minister on 9.9.2004 with Chief Executives of Public Sector Banks, NABARD, RBI and IBA to review the progress in credit disbursement to farmers. Subsequently, review meetings were also convened by NABARD on regular intervals. The credit disbursement during April-September, 2004 to agriculture sector was Rs. 53591 crores as against Rs. 36792 crores during the corresponding period last year, thereby registering a growth of 46%. All concerned have assured to take necessary measures for achieving the credit disbursement target of Rs. 104500 crores during 2004-05.

Banks have also been advised to recruit more agriculture graduates for staffing rural branches of commercial banks to enhance the flow of credit to farmers.