

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:1339  
ANSWERED ON:26.11.2007  
LOANS BY COOPERATIVE BANKS  
Ahir Shri Hansraj Gangaram

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the share of cooperative banks in providing loans for agriculture and related sectors has been declining continuously;
- (b) if so, the reasons therefor;
- (c) the details of loans available for agriculture during the last three years;
- (d) whether the Government has identified the obstacles in providing easy loan facilities; and
- (e) if so, the steps taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a)&(b): Yes, Sir. The share of Cooperative Banks to total agri-credit flow has declined from 33.97% in 2002-03 to 20.90% during 2006-07.

The share of Cooperative Banks has been declining due to the rapid growth in credit flow achieved by the Commercial Banks and RRBs. Besides, the Cooperatives, over the years, have developed a number of structural, organizational, managerial and financial weaknesses which have hampered their capacity to purvey ground level credit. Some of the reasons are enumerated below: -

(i) As on 31 March, 2007, 7 SCBs and 127 DCCBs were not complying with the provisions of Section 11 (1) of the B.R.Act, 1949 and 8 SCARDB & 458 PACRDBs were running in losses during the 2004-05.

(ii) The Cooperative do not have much financial resources of their own and depend on the higher tiers including NABARD for supplementing their resources.

(iii) High levels of overdues affects the recycling of funds and, as such, translates into lesser quantum of funds available for lending. The waiver of loans/interest by State Governments vitiates the recovery climate and prevents Cooperatives from recovering loans and recycling credit.

(c): The details of loans available for agriculture during the last three years is as under:

(Rs. in Crore)

Agency	2004-05	2005-06	2006-07
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Comm. Banks	81481	125477	140382
Coop. Banks	31424	39786	42480
RRBs	12404	15223	20434

Total 125309 180486 203296

(d)&(e): Yes, Sir. The steps taken by the Government for ensuring enhanced credit disbursement for agriculture are Annexed.