

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1395

ANSWERED ON:27.11.2009

CREDIT TO AGRICULTURE SECTOR

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Will the Minister of FINANCE be pleased to state:

(a) whether the commercial banks and the cooperative credit outlets are lagging behind their targets of providing credit to the agriculture sector during the current year as per the report on the trend and progress of banking in India 2008-09 released by Reserve Bank of India (RBI);

(b) if so, the details of the targets set and the achievements made against them as regards the credit flow to the agriculture sector as on date during the current year, bank-wise; and

(c) the reasons for the poor credit off-take in the farm sector and Government's reaction thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (c): The target for credit flow to the agriculture sector for the year 2009-10 and the disbursement there against (provisional) by Commercial Banks, Cooperative Banks and Regional Rural Banks (RRBs) respectively upto 30-09-2009 (01-04-2009 to 30-09-2009) as reported by NABARD is as under:

(Rs. in crqre)

| Sr. No. | Name of the Agency | Target | Achievement as on 30-09-2009 | Achievement |
|---------|--------------------|--------|------------------------------|-------------|
| | (provisional) | | | in % age |

| | | | | |
|---|------------------|---------|-----------|-------|
| 1 | Commercial Banks | 250,000 | 92,595.08 | 37.04 |
|---|------------------|---------|-----------|-------|

| | | | | |
|---|-------------------|--------|-----------|-------|
| 2 | Cooperative Banks | 45,000 | 27,704.85 | 61.57 |
|---|-------------------|--------|-----------|-------|

| | | | | |
|---|------|--------|-----------|-------|
| 3 | RRBs | 30,000 | 17,531.31 | 58.44 |
|---|------|--------|-----------|-------|

| | | | | |
|-------|--|---------|------------|-------|
| Total | | 325,000 | 137,831.24 | 42.41 |
|-------|--|---------|------------|-------|

NABARD has reported that as compared to the corresponding period last year there has been a positive growth rate of about 40%. The achievement to target has been approximately 42% this year upto 30-09-2009 whereas it was around 35% of the target for same period last year. It may be observed that both Cooperative Banks and RRBs have achieved more than 50% of target allocated to them.