

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:153

ANSWERED ON:14.07.2009

LOAN WAIVER SCHEME

Karunakaran Shri P.;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether farmers committed suicides in various parts of the country due to crop failure and/or inability to pay back loan received from cooperative commercial banks and Regional Rural Banks (RRBs);
- (b) if so, the details thereof;
- (c) whether the loan waiver scheme has not provided the right succour to the farmers and the incidents of suicide are continuing;
- (d) if so, the reaction of the Government thereto;
- (e) the action taken by the Government to ensure free flow of credit at reasonable rates;
- (f) whether the Union Government has received requests from the State Governments including Kerala with regard to the debt waiver and debt relief scheme; and
- (g) if so, the details thereof and the reaction of the Union Government thereto?

Answer

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (g): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA STARRED QUESTION NO. 153 DUE FOR REPLY ON 14-07-2009.

(a): Incidence of suicides by farmers has been reported mainly from the States of Andhra Pradesh, Maharashtra, Karnataka and Kerala. Some cases of suicides by farmers were also reported from the states of Gujarat, Punjab and Tamil Nadu. As reported by the State Governments, the causes for suicides by farmers are manifold including personal and other reasons. However, some suicides out of the total number of suicides have been attributed to crop failure, indebtedness, drought and socio- economic reasons.

(b): The information has been given in Annexure-I.

(c) & (d): The Debt waiver and Debt Relief scheme, 2008 has been implemented in all districts of the country. As per provisional figures, a total of 3.01 crores small and marginal farmers and 0.67 crore other farmers have been benefitted from the scheme involving debt waiver and debt relief of Rs. 65,318.33 crores. Thus, the scheme has helped 3.68 crores farmers by helping them in paying off their principal and interest liabilities and by de- clogging the line of credit. In order to ameliorate condition of farmers, the Government of India had earlier approved a Rehabilitation Package in 2006, for implementation in 31 suicide prone Districts, amounting to Rs. 16978.69 crores.

(e): In order to ensure free flow of credit, Government announced a farm Credit Package in 2004 with a target of 30% increase per annum. As a result, total credit flow has increased from Rs. 86981 crores in 2003-04 to Rs. 287149 crores in 2008-09 and is further, targeted to increase to Rs. 3,25,000 crores in 2009-10. Crop loan upto Rs.3.00 lakhs is being made available at 7% interest rate by giving 3% interest subvention. In the Union Budget 2009-10, it is also proposed to provide 1% additional interest subvention to the farmers who pay their loans in time.

(f) & (g): The Union Government has received a number of proposals with regard to modification in the Guidelines in the Debt Waiver and Debt Relief Scheme including that from Government of Kerala. The Union Government has tried to accommodate the suggestions received to the extent possible. Under the Agricultural Debt Waiver and Debt Relief Scheme, 2008, farmers with more than 2 hectares of land holding can pay 75% of their overdue by 31.12.2009 instead of 30.06.2009. Besides this, in the Union Budget 2009-10, there is a proposal to set up a Task Force to look into the issue of loan taken by the farmers from private money lenders.