

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3544

ANSWERED ON:16.04.2010

LIBERAL LOAN TO FARMERS

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

- (a) the details of the agricultural loans disbursed to the Small and Marginal Farmers vis-à-vis increase in the agricultural loans during the last three years and the current financial year;
- (b) whether Government has formulated any Scheme/Funds to provide loans to the farmers without any security;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) the existing credit limit for the small and marginal farmers;
- (e) whether Government proposes to waive off such limit; and
- (f) if so, the details thereof and reasons therefor alongwith the time by which this credit limit is likely to be waived?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a): The agency-wise credit flow to Small and Marginal farmers vis-a-vis total credit flow during the last three years and during the current year is furnished below:  
(Rs. in crore)

Name of the Agency	2006-07		2007-08		2008-09		2009-10 (upto Dec.2009)	
	GLC#	MF##	GLC	MF	GLC	MF	GLC	MF
Comm. Banks	166485.43	44,276.50	181087.61	52230.75	228951.31	121858.49	186000.93	48134.10
	(27%)	(29%)	(53%)					
Coop. Banks	42479.80	18,038.48	51201.50	22608.79	46191.81	26188.43	38577.91	22771.46
	(42 %)	(44%)	(57%)					
RRBs	20434.65	11,707.16	25311.65	15018.97	26764.68	16443.96	23931.33	13256.10
	(57%)	(59%)	(61%)					
<b>Total</b>	<b>229399.88</b>	<b>74,022.14</b>	<b>257600.76</b>	<b>89858.51</b>	<b>301907.80</b>	<b>164490.88</b>	<b>248510.17</b>	<b>84161.66</b>
	(32%)	(35%)	(54%)	(34%)				

# GLC – Ground Level Credit

## SF/MF- Small Farmer/Marginal Farmer

It may be observed from the above table that the share of small and marginal farmers under ground level credit flow was 32% during the year 2006-07.It has reached the level of 54% during the year 2008-09.

(b) & (c): To ensure that farmers get loans on easy terms, procedure of farm credit has been simplified. Loans upto Rs. 50,000 have been made collateral and margin free. Further, banks have been advised to dispense with the requirement of 'no dues' certificate for loans upto Rs. 50,000 to small and marginal farmers, share croppers and the like, instead, obtain self declaration from the borrower.

(d): The credit limits for crop loans to small and marginal farmers is decided upon the acreage holding and the per acre scale of finance. The loans for medium term and long term agricultural purposes are decided by the indicative unit cost, income streams from the economic activity proposed to be undertaken and the repayment capacity of the farmers.

(e): No sir.

(f): Does not arise.