

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6882

ANSWERED ON:07.05.2010

AGRICULTURAL LOANS BY CO-OPERATIVE BANKS

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Will the Minister of FINANCE be pleased to state:

- (a) whether the percentage of loan disbursed by the co-operative banks to the agriculture sector is on the decrease during the last three years and the current financial year;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has identified the constraints being faced by the co-operative banks in disbursement of loans to the agriculture sector; and
- (d) if so, the details thereof and the corrective measures taken/being taken by the Government in this regard?

Answer

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

(a) & (b): National Bank for Agriculture and Rural Development(NABARD) has reported that the share of cooperative banks in providing credit to agriculture and allied sector has increased from Rs.45,965.61 crore as on 31.3.2009 to Rs.52,292.11 crore as on 28.2.2010.

(c) & (d): The Government of India (GoI) constituted a Task Force in 2004 under the Chairmanship of Prof. A. Vaidyanathan for suggesting an implementable plan for the revival of the short term cooperative credit institutions. Based on the recommendations of the Vaidyanathan Task Force-I Report, the Government in January, 2006 formulated a revival package for the Short Term Co-operative Credit Structure (STCCS). The package envisages financial assistances for wiping out the accumulated losses as on 31st March, 2004, subject to legal and institutional reforms. The package is to be contributed to by GoI, State Governments and the Cooperative Credit Structure(CCS). The package also envisages training and capacity building, introduction of common and standard accounting and monitoring systems and computerization.