

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:6944

ANSWERED ON:07.05.2010

AGRICULTURAL LOANS

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

- (a) the proportion of loan taken by the farmers out of the total agricultural loan as shown by banks since 2005; and
- (b) the steps taken by the Government to scrutinize the records of the banks in the interest of farmers in this regard?

**Answer**

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

(a) & (b): To ensure that farmers get the timely benefit of crop loans from banks, the Government of India sets annual targets for the flow of agriculture credit for lending institutions. The progress against these targets is monitored regularly. These targets have been achieved fully over the past years and it is expected that the Banks shall achieve the agricultural credit flow target for the current year also.

The achievements of agricultural credit flow vis-à-vis annual targets for 2006-07,2007-08, 2008-09 and 2009-10 as per information provided by National Bank for Agriculture and Rural Development (NABARD) are given below:

Year	Target	Achievement
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2006-07	175,000	229,400
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2007-08	225,000	254,658
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2008-09	280,000	301,682
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2009-10	325,000	308,320
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(upto 28th  
February 2010)

The Government of India is also providing an Interest Subvention to all lending institutions for short term crop loans upto Rs 3 lakh, so as to ensure that short term agriculture credit is available at 7% to farmers. In 2009-10, an additional 1% incentive subvention was given to prompt payee farmers. The Budget 2010 provides an additional 2% interest subvention to those farmers, who repay their short term crop loans as per schedule. Thus the short term credit will be available to prompt paying farmers @ 5% p.a for loans upto Rs 3 lakh.