

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:373  
ANSWERED ON:07.07.2009  
SPECIAL RELIEF PACKAGE TO FARMERS  
Gutha Shri Sukender Reddy

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

- (a) whether the farmers are facing difficulties in getting loans from banks on time and have to source their credit requirement from agencies other than banks and as a result pay heavy interest on such loans;
- (b) if so, the corrective action taken thereon;
- (c) whether the Government has announced any special relief package for the coming season (Kharif) to mitigate the sufferings of the farmers, specially in view of late monsoons; and
- (d) if so, the details thereof and the time by which the special package is likely to be announced?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a)&(b): As per the report on "Indebtedness of Farmer Households" released by National Sample Survey Organisation in May, 2005, 57.7% of the outstanding loan of indebted farmers was sourced from formal/institutional sources consisting of banks, cooperative society and the Government.

In consultation with the Reserve Bank of India and National Bank for Agriculture and Rural Development, the Government has initiated several measures for providing timely and adequate credit facilities to the farmers at a reasonable rate of interest. Some of the important measures are as under:

# Effective from Kharif 2006-07, the Government has lowered the interest rates on crop loans to 7% with an upper limit of Rs.3 lakhs on the principal amount.

# Loans upto Rs.50,000/- have been made collateral and margin free.

# Banks have been advised to simplify the procedure for documentation for agricultural loans.

# A scheme of debt waiver and debt relief for farmers has been implemented by the Government under which an estimated amount of Rs.65,318.33 crore has been provided as debt waiver/relief to about 3.68 crore farmers.

# In order to revive the short-term rural cooperative credit institutions, a package of measures as recommended by the Vaidyanathan Committee with estimated financial outlay of Rs.13,596 crore is under implementation.

(c): No, Madam.

(d): Does not arise.