

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1583
ANSWERED ON:04.03.2011
DEBT HIT FARMERS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has details of the debt hit farmers in the country;
- (b) if so, the details thereof, State-wise including Andhra Pradesh for the last three years;
- (c) if not, the reasons therefor; and
- (d) the steps taken/being taken by the Government in this regard?

Answer

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

(a) to (c): National Bank for Agriculture and Rural Development (NABARD) has reported that the latest decennial All-India Debt and Investment Survey (AIDIS) and the Situation Assessment Survey of Farmers (SAS), both conducted by NSSO during January-December 2003 in its 59th Round, provide insights into varied dimensions of farmers' indebtedness in India. Of the 89.33 million farmer households estimated in 2003, the SAS shows that 43.42 million or 48.6 per cent were indebted. Incidence of Indebtedness in Major States is furnished below :

State % of Indebted Farmer Households

Andhra Pradesh	82
Tamil Nadu	74.5
Punjab	65.4
Kerala	64.4
Karnataka	61.6
Maharashtra	54.8
Haryana	53.1
Rajasthan	52.4
Gujarat	51.9
Madhya Pradesh	50.8
West Bengal	50.1
Orissa	47.8
Uttar Pradesh	40.3
Himachal Pradesh	33.4
Bihar	33
Jammu & Kashmir	31.8
Assam	18.1

All India 48.6

(d): To mitigate distress of farmers in the 31 identified debt stressed districts of Andhra Pradesh, Maharashtra, Karnataka and Kerala, Gol had announced a rehabilitation package in respect of agricultural credit. NABARD implemented the Prime Minister's Package of relief measures for the debt stressed farmers of 31 districts of Maharashtra, Andhra Pradesh, Karnataka and Kerala in respect of Cooperative Banks and Regional Rural Banks functioning in the identified districts. The components of the package were as under :

- (i) The entire interest on overdue agricultural loans as on 01.07.2006 was waived and farmers were made eligible for fresh loan from the banking system.
- (ii) The overdue loans of the farmers as on 01.07.2006 were rescheduled over a period of 3-5 years with one year moratorium.
- (iii) An additional credit flow was ensured in these 31 districts through the banking sector.

(iv) The burden of waiver of interest on agricultural loans was shared equally by the State and Central Governments.

The total interest waiver in the 31 identified districts of state of Maharashtra, Karnataka, Andhra Pradesh and Kerala was Rs.1780.28 crore in respect of Cooperative Banks and Regional Rural Banks and 50 % share of Government of India released by NABARD was Rs. 844.15 crore. The scheme was closed as on 31.12.2007. The credit flow to the farmers in the identified 31 districts and Watershed Development Programme under non-credit measures to these districts is being monitored by NABARD.

The Government of India's Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 aimed at de-clogging the lines of credit that were clogged due to the debt burden on the farmers and to entitle these farmers for fresh credit. All agricultural loans disbursed by Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Cooperative Banks (including Urban Cooperative Banks) and Local Area Banks (LABs) up to 31st March, 2007, overdue as on 31st December, 2007 and that remained unpaid until 29.02.2008 were covered under the Scheme. The Government of India (GoI) has so far released an amount of Rs.51,340.47 crore to the lending institutions as reimbursement under the Agricultural Debt Waiver and Debt Relief Scheme, 2008.

Further, Short Term crop loans upto Rs.3 lakh at interest rate of 7% per annum has been extended to the farmers since 2006-07. A payment incentive of an additional subvention of @ 2% is being provided during 2010-11 for prompt repaying farmers. This additional subvention is proposed to be enhanced to 3% in 2011-12, thus reducing the effective rate of interest to 4% per annum for the prompt paying farmers in 2011-12.