

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:3377

ANSWERED ON:28.07.2009

WELL BEING OF FARMERS

Das Shri Bhakta Charan;Reddy Shri Magunta Srinivasulu;Singh Shri Rajnath

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

(a) whether the Government has taken several steps for improving the well being of farmers and their families;

(b) if so, the details thereof; and

(c) the measures taken/proposed to be taken by the Government to ensure remunerative price and easy access to banks credit at lower rate of interest to the farmers, including small and marginal farmers?

**Answer**

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

(a) to (c): The Government has taken several steps for the well being of farmers and their families. The steps taken by the Government include increase in plan outlays, endeavor to increase in overall investment, launching of new Schemes / Programmes and Projects during recent years such as Rashtriya Krishi Vikas Yojana(RKVY), National Food Security Mission (NFSM), National Horticulture Mission(NHM), Revised Macro Management of Agriculture(MMA) etc. RKVY is a new State Plan Scheme of additional central assistance for agriculture and allied sectors. The basic objective of RKVY is to incentivise the states to gear up investment in agriculture. The Revised MMA aims to bring all round development in agriculture Sector. Scheme on Micro irrigation has been launched to ensure efficient use of water and improve productivity. There has been quantum jump in production of certified/ quality seeds of high yielding varieties during last few years. The increase in the total financial outlay for agriculture(including Additional Central Assistance to the States) for the year revised estimate for 2008-09 over the corresponding figure of the previous year was 34.5%. It is further proposed to be increased over the RE of 2008-09 by 13.4% in 2009-10 to Rs.11,915.22 crores.

The Government's Price policy for agricultural commodities seeks to ensure remunerative prices to the farmers for their produce with a view to encourage higher investment and production. During the last 5 years, a substantial increase in the Minimum Support Prices(MSPs) ranging from 49% to 78% of major cereals and upto 83% for pulses & oilseeds has been done. Consequently, the farmers covered larger area and produced more.

The Government has initiated several measures to make institutional credit available to farmers at lower affordable rate of interest. In order to improve the flow of credit and mitigate the distressing situation of farmers, special farm credit package is going on with substantial credit flow. Crop loan upto Rs. 3 lakh is to be provided at 7%. The Government of India is providing interest subvention to banks on their own involvement for making loans available to the farmers at 7% interest. Additional subvention of 1% will be given by the Government from this year for timely payment. In order to ensure timely and hassle free credit to farmers, Kissan Credit Card Scheme has been going on throughout the country since 1998-99. The banks have issued 812.9 lakh Kissan Credit Cards upto 31st March, 2009. The total credit flow has increased from Rs. 86,981 crores in 2003-04 to Rs. 2,87,149 crores in 2008-09 and is further, targeted to be increased to Rs. 3,25,000 crores in 2009-10.

Due to a number of steps taken by the Government and farmers' encouraging response thereto, a record level of foodgrain production of 230.77 million tonnes could be achieved during 2007-08. This positive trend continued during the last year. As per the 4th Advance estimates, foodgrain production during 2008-09 is likely to be 233.87 million tons. The average growth rate in the agriculture and allied sector has been more than 4% during the last 4 years.