

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3352
ANSWERED ON:23.08.2011
SHORTAGE OF SEEDS AND FERTILISERS
Reddy Shri Modugula Venugopala

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether it is a fact that many farmers in the country do not have access to adequate capital to buy seeds and fertilisers;
- (b) if so, the details thereof along with the reasons therefor, State-wise; and
- (c) the steps being taken by the Government to improve the situation in the remaining period of the 11th Five Year Plan?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a): No, Madam.

(b): Question does not arise.

(c): From Kharif 2006-07, farmers are receiving crop loans upto a principal amount of Rs.3 lakh at 7% rate of interest. During 2010-11, Government provided an additional 2% interest subvention as incentive to those farmers who repay short term crop loans as per schedule. The Government has raised this subvention for timely repayment of crop loans from 2% to 3% from the year 2011-12. Thus the effective rate of interest for such farmers will be 4% in the year 2011-12.

The limit of collateral free farm loan has been increased from Rs.50,000 to Rs.1,00,000. Initiative has been taken to provide Kisan Credit Card to all the eligible and willing farmers in a time bound manner. To achieve this, the State Government have been advised to launch an intensive branch/village level campaign. So far 10.04 crore KCC have been issued.

Government provide assistance for seed distribution under different crop development programme viz., National Food Security Mission (NFSM), Integrated Scheme of Oilseeds, Pulses, Oilpalm and Maize (ISOPOM), Technology Mission on Cotton, Technology Mission on Jute & Mesta, Macro Management of Agriculture (MMA), Rashtriya Krishi Vikas Yojana (RKVY), National Horticulture Mission (NHM), Technology Mission for the North East (TMNE).

The Farmers are provided fertilizers at subsidized rates which are much below the actual cost. Nutrient Based Subsidy (NBS) policy has been adopted for Phosphate (P) & Potash (K) fertilizer since 01.04.2010 under which Maximum Retail Prices (MRPs) are left open to be fixed by Manufactures/Importers at a reasonable level. NBS is fixed by the Government by taking into consideration the affordability of the farmers and prevalent price level of fertilizers and fertilizer inputs in the international market. The Government also provides freight subsidy for the transportation of the subsidized fertilizers.