

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4849
ANSWERED ON:02.09.2011
OUTSTANDING LOAN TO FARM HOUSEHOLD
Ajnala Dr. Rattan Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether the amount of outstanding loans per farm household in some States has exceeded the national average;
- (b) If so, the details thereof; and
- (c) the steps taken/being taken to reduce the indebtedness of farmers in such States?

Answer

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

(a) to (c): Average loan per household in the year 2003 for the major States as per the National Sample Survey Organisation (NSSO), Situation Assessment Survey of Farmers, 2003 is given in Annex.

The Government of India and Reserve Bank of India (RBI) has taken several measures to ensure availability of credit to farmers (including small and marginal farmers) through banks. These include:

The Interest Subvention Scheme is being implemented by the Government of India since 2006-07 to make short-term crop loans upto Rs. 3 lakh for a period of one year available to farmers at the interest rate of 7 percent per annum. The Government of India has since 2009-10 been providing additional interest subvention to prompt payees farmers, i.e., those who repay their loan in time. The additional subvention was 1% in 2009-10 and 2% in 2010-11. This is being increased to 3% in 2011-12.

The Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 has de-dogged the lines of credit that were clogged due to the debt burden on the farmers.

Banks have been advised to dispense with the requirement of `no dues` certificates for small loans up to Rs 50,000 to small and marginal farmers, share-croppers and the like and instead obtain a self-declaration from the borrower.

RBI has advised banks to waive margin/security requirements for agricultural loans upto Rs 1,00,000.