

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1904  
ANSWERED ON:02.12.2011  
REDUCTION IN FARMERS DEBT  
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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes a special debt relief scheme for small and medium scale farmers whose crops have failed and are unable to repay the agricultural loans;
- (b) the measures taken by the Government to reduce farmers debt in plantation sector especially for small and medium scale planters of coffee, tea and condiments;
- (c) whether the Government has received suggestions from the farmers' organizations to reduce the impact and check the growth of moneylenders by making credit facilities of banks more farmers friendly; and
- (d) if so, the details thereof and the reaction of the Government thereto?

**Answer**

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

(a)to(d): The Government of India implemented Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 which 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 Public Sector Banks, Private Sector Banks, Cooperative Banks, Local Area Banks and Regional Rural Banks between 01 April 1997 to 31 March 2007 to farmers, overdue as on 31 December 2007 and remaining unpaid upto 28 February 2008 were eligible for Debt Waiver/Debt Relief. The Debt Waiver portion of the Scheme was closed on 30.6.2008. The Debt Relief portion of the Scheme was closed on 30.6.2010. The Government of India has also announced Coffee Debt Relief Package - 2010 for the debt ridden small coffee growers with a total financial implication of Rs.241.33 crore. The Government of India has taken several measures for the availability of credit to farmers through banks. These include:

(i) 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. So far 2.9 crore farmers have been provided debt waiver & debt relief to the extent of Rs. 52,898.93 crore under the Scheme.

(ii) To extend the reach of banking facilities to the rural hinterland, banks have indentified approximately 73,000 villages with population of more than 2000 to provide banking facilities by March, 2012. As per reports received from State Level Bankers Committee (SLBC) Convener Banks, over 45,000 such villages have been covered.

(iii) General permission has been granted to domestic Scheduled Commercial Banks (other than RRBs) to open branches/mobile branches/Administrative Offices/CPCs (Service Branches), (i) in Tier 3 to Tier 6 centres (with population upto 49,999) and (ii) in rural, semi urban and urban centres of the North-Eastern States and Sikkim, subject to reporting. RBI has advised banks that while preparing their Annual Branch Expansion Plan (ABEP), the Banks should allocate at least 25 percent of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and tier 6) centres.