

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2210

ANSWERED ON:27.03.2012

INDEBTEDNESS OF FARMERS

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has recently conducted a survey to identify the specific regions in each State/UT where the farmers are reeling under debt;
- (b) if so, the outcome thereof, State/UT-wise;
- (c) the breakup of these debts viz. from local money lenders, co-operative banks, nationalised and schedule banks etc.; and
- (d) the remedial steps taken/proposed to be taken by the Government to reduce the indebtedness of the farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (DR. CHARAN DAS MAHANT)

(a) to (c): As per National Sample Survey Organisation (NSSO) report No. 498 on the 'Indebtedness of Farmer Households' (as part of Situation Assessment Survey of Farmers - 59th Round) released by NSSO in the year 2005, of the 89.35 million farmer households, 43.42 million (48.6%) were reported to be indebted to either formal or informal or both sources of credit. State-wise details of indebted farmer households is annexed. As per the survey report, the most important source of loan in terms of percentage of outstanding loan amount was banks (36%) followed by agricultural/professional money lenders (26%) and cooperative societies (20%).

(d): The Government has taken several measures to increase institutional credit flow for reducing the dependence of the farmers on non-institutional sources of credit. These measures, inter alia, includes fixation of annual targets for improving agricultural credit flow, provision of crop loans upto Rs. 3.00 lakh @ 4% per annum to such farmers who repay their loan as per the repayment schedule fixed by the banks, extension of benefit of interest subvention scheme to small & marginal farmers having Kisan Credit Card for a further period up to six months for storing their produce in warehouses against negotiable warehouse receipts, collateral free loan upto Rs. 1.00 lakh, implementation of revival package for short term cooperative credit structure in the country etc. As a result of these measures, agricultural credit flow has increased from Rs. 86981 crore in the year 2003-04 to Rs. 468291 crore in the year 2010-11 and is expected to surpass the target of Rs. 475000 crore fixed for the year 2011-12.