

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:116
ANSWERED ON:10.07.2009
CREDIT FLOW TO AGRICULTURE SECTOR
Botcha Lakshmi Smt. Jhansi;Joshi Dr. Murl Manohar

Will the Minister of FINANCE be pleased to state:

- (a) the details of the target set and the achievement made thereon for the credit flow to Agriculture Sector by Public Sector Banks (PSBs) during the last two years;
- (b) whether the Government is considering to double the credit flow to the Agriculture Sector;
- (c) if so, the details thereof;
- (d) whether any assessment has; been made by banks for the estimated need of credit flow to the Agriculture Sector in 2009-10; and
- (e) if so, the details thereof and the extent to which the said need is to be met by the PSBs?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (e) : A Statement is laid on the Table of the House.

Statement referred to in reply to Parts (a) to (e) of Lok Sabha Starred Question No. 116 to be answered on 10th July, 2009 regarding Credit Flow to Agriculture Sector, tabled by Shrimati Botcha Jhansi Lakshmi and Dr. Murl Manohar Joshi.

(a): As against the agriculture lending targets of Rs. 1,50,000 crore and Rs. 1,95,000 crore set for the domestic commercial banks, including Public Sector banks (PSBs), for the years 2007- 08 and 2008- 09, these banks have lent Rs. 1,81,088 crore and Rs. 2,23,668 crore respectively. No separate target is set for PSBs.

(b) to (e): The Government has made an internal assessment of the likely demand in the agriculture sector during the year 2009-10. Accordingly, the agriculture lending target for the year 2009-10 has been set at Rs. 3,25,000 crore for all banks against the target of Rs. 2,80,000 crore set for the year 2008-09. Of this, the targets for domestic commercial banks, including PSBs, Cooperative Banks and Regional Rural Banks have been set at Rs. 2,50,000 crore, Rs. 45,000 crore and Rs. 30,000 crore respectively.

The PSBs have led from the front in lending to the agriculture sector. The lending by domestic commercial banks which was Rs. 52,441 crore in the year 2003-04 has increased to Rs. 2,23,668 crore in 2008-09, of which Rs. 1,64,350 crore (around 57.23% of overall target of Rs. 2,80,000 crore) was lent by PSBs.