

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1706

ANSWERED ON:23.03.2012

LOANS TO FARMERS

Amlabe Shri Narayan Singh

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Banks have disbursed loans to farmers for Kharif and Rabi crops in the country;
- (b) if so, the details thereof for the last year and the current year, bank-wise and State-wise including Madhya Pradesh;
- (c) the targets set for such loans to the farmers for the next year; and
- (d) the steps taken/being taken by the Government to ensure adequate loans to farmers according to their needs?

**Answer**

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

(a) to (d): The Government of India has been setting indicative annual target for the flow of credit to the agriculture sector. The target for the year 2010-11 was Rs. 3,75,000 crore against which the achievement was Rs. 4,59,341 crore. The target for the year 2011-12 has been set at Rs. 4,75,000 crore. Against this target, the achievement upto 31st December, 2011 is Rs. 3,40,716 crore. State-wise details of Agriculture credit disbursed during 2010-11 and 2011-12 (as on 31.12.2011) are enclosed at Annex.

The target for the year 2012-13 has been proposed at Rs. 5,75,000 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 has been increased to 3% in 2011-12.

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

(iii) 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.

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

(v) 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, about 70,000 such villages have been covered upto February, 2012.

(vi) 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 2 to Tier 6 centres (with population upto 99,999) 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.