

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:334
ANSWERED ON:27.04.2012
CREDIT TO AGRICULTURAL SECTOR
Kodikunnil Shri Suresh;Rani Killi Krupa

Will the Minister of FINANCE be pleased to state:

- (a) the targets set and the achievement made for the cred/A flow to agriculture sector by commercial and cooperative banks during each of the last three years and the current year;
- (b) whether the banks are lagging behind the targets of providmo credh: to the agriculture sector during the above period;
- (c) if so, the details thereof and the reasons therefor a long with the corrective action taken in the matter;
- (d) whether there is any proposal to increase the credit flow to the agriculture sector;
- (e) if so, the details of the estimated credit flow to the agriculture sector for the financial year, 2012-2013 alongwith the extent to which the requirement is likely to be met by the banks; and
- (f) the steps taken/being taken by the Government to provide adequate and hassle free credit to the agriculture sector?

Answer

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE)

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

Statement referred to in reply to parts (a) to (f) of Lok Sabha Starred Question No. 334 to be answered on 27th April, 2012 regarding credit to agriculture sector tabled by Dr Kruparani Killi and SHRI Kodikkunnil Suresh:

(a) to (c) : The targets set and the achievement made for the credit flow to agriculture sector by Commercial Banks, Cooperative Banks and Regional Rural Banks during the last three years are as under:

Year	Target of targets	Sub-division of targets	Achievement	Total Achieve
	Comme-rcial Banks	Co-op. banks	RRBs Commer-cial banks	Co-op. RRBs
2009-10	3,25,000	2,50,000	45,000 30,000	2,85,799.73 63,496.85 35,217.62 3,84,514.20
2010-11	3,75,000	2,80,000	56,000 40,000	3,45,877.29 78,007.09 44,293.05 4,68,177.43
2011-12#	4,75,000	3,55,000	69,500 50,500	3,14,512.21 77,974.18 48,227.51 4,40,713.90

Provisional data upto Feb., 2012

As can be seen from the table, the agriculture credit target set by the Government of India has been achieved by the banks.

(d) & (e) : The target for agriculture credit for the year 2012-13 has been set at Rs 5,75,000 crore which is an increase of 21% over the agriculture credit target of Rs 4,75,000 crore for 2011-12.

(f): 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 payee farmers, i.e., those who repay their loan in time. The additional subvention was 1% in 2009-10, 2% in 2010-11 and 3% in 2011-12.

(ii) 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.

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