

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6989
ANSWERED ON:18.05.2012
TASK FORCE ON FARMERS LOAN
Sharma Shri Jagdish

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has constituted any task force to assess the number of farmers in the country who have sought loans from the money lenders;
- (b) if so, the details thereof including the amount outstanding against them;
- (c) whether the said task force has submitted any report to the Government in this regard;
- (d) if so, the details thereof and the follow up action taken by the Government thereon; and
- (e) if not, the time by which the said task force is likely to submit its report to the Government?

Answer

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

(a) to (e): The Government of India had constituted a Task Force, under the Chairmanship of Shri U.C. Sarangi, the then Chairman, NABARD to look into the issue of a large number of farmers, who had taken loans from private money lenders, not being covered under the loan waiver scheme.

The Task Force has submitted its report to the Government in June, 2010. The Task Force's main recommendations inter-alia include the following:-

- (i) Policy measures for addressing the issues of farmer's indebtedness to money lenders and measures to provide relief to farmers.
- (ii) Various measures including the Kisan Credit Card (KCC) Scheme to ensure coverage of small and marginal farmers, tenants farmers, share croppers and oral lessees by the institutional credit card fold, to reduce their dependence on informal sources.
- (iii) On legislation regarding loans from private money lenders and the need for a grievance redressal mechanism at the District level which is accessible to both money lenders and farmers.

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. The additional subvention was 1% in 2009-10, 2% in 2010-11 and 3% in 2011-12. The Government has in the Budget speech of 2012-13 announced continuation of the scheme in 2012-13.

Banks have been advised to issue Kisan Credit Cards (KCCs) to all eligible farmers and General Credit Cards (GCCs) to non-farmers. A new scheme for KCC has been circulated by NABARD/RBI.