

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4037

ANSWERED ON:05.09.2012

CREDIT FACILITY TO COFFEE AND TEA GROWERS

Shanavas Shri M. I.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to reduce farmers debt in plantation sector especially for small and medium scale planters of coffee, tea and condiments;
- (b) if so, the details thereof;
- (c) whether any special debt relief scheme for small and medium scale farmers whose crops have failed and are unable to repay the agricultural loans;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether any suggestions/representations have been received by the Government from the farmers organisations to check the growth of money lenders by making credit facilities by banks more farmer friendly; and
- (f) if so, the reaction of the Government thereto alongwith the steps taken in this regard so far?

Answer

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

(a) to (d): No Madam. However, the Coffee Debt Relief Package has been implemented by the Govt of India for the debt ridden small coffee growers. Under the Scheme, the Government has released an amount of Rs. 241.00 crore in 2010-11 and Rs 58.00 crore in 2011-12.

(e) & (f): The Government has taken several policy measures from time to time to increase the availability of institutional credit to farmers. These, inter-alia, include the following:

The Government has been setting an annual target for the flow of credit to the agriculture sector. The agriculture target for 2012-13 is fixed at Rs 5,75,000 crore against the target of Rs 4,75,000 crore in 2011-12.

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.

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

Banks have been advised to issue Kisan Credit Cards (KCC) to all eligible farmers and General Credit Cards (GCC) to non-farmers. A new scheme for KCC has been circulated by RBI and NABARD which provides for KCC as an ATM card which can be used at ATM/Point of sale (POS) terminals.