

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:113  
ANSWERED ON:08.08.2012  
QUESTION LOAN TO FARMERS UNDER RCS  
Singh Shri Jagada Nand

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

- (a) whether sufficient loan is being provided by the nationalized banks to the farmers under the Rural Credit Scheme (RCS) in the rural areas for Agriculture Sector,
- (b) if so, the details thereof;
- (c) whether the Government has issued the direction to provide 100 percent loan to all the farmers;
- (d) if so, the details thereof;
- (e) whether the loans taken by the farmers are getting converted in to Non Performing Assets;
- (f) if so, the details thereof;
- (g) whether the agriculture is no longer a remunerative profession due to problems faced by farmers, and
- (h) if so, the steps taken/being taken by the Government in this regard?

**Answer**

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

(a) & (b): The Government of India has been setting annual target for the flow of credit to the agriculture sector. The target for the year 2011-12 was Rs. 4,75,000 crore against which the achievement was Rs. 5,11,029 crore (provisional) as at the end of March 2012. The target for the year 2012-13 has been set at Rs.5,75,000 crore.

(c) & (d): Kisan Credit Card is an effective tool for delivering of credit to farmers. Banks have been advised to issue Kisan Credit Cards (KCC) to all eligible farmers

(e) & (f): The ratio of Non Performing Assets (NPAs) to the credit outstanding of agriculture sector were 2.42% in 2009-10, 3.45% in 2010-11 and 4.79% in 2011-12 for public sector banks.

(g) & (h): In order to increase agricultural productivity, Government has taken several policy measures including those relating to the cheap and timely availability of agricultural credit. These inter-alia include the following:

(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. The additional subvention was 1% in 2009-10, 2% in 2010-11 and 3% in 2011-12.

Further, in order to discourage distress sales, the benefit of interest subvention was made available in the year 2011-12 to small and marginal farmers having Kisan Credit Card for a further period of upto six months post harvest on the same rates as available to crop loans against Negotiable warehouse receipts for keeping their produce in warehouses.

The Government in the Budget speech of 2012-13 announced continuation of the Scheme in 2012-13 as well.

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