

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2875

ANSWERED ON:29.08.2012

QUESTION AGRICULTURE LOAN

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

- (a) whether the agriculture loans disbursed to small and marginal farmers by the Public Sector Banks and private sector banks have declined during the last three years and the current year, State-wise and Bank-wise;
- (b) the criteria laid down by the Reserve Bank of India in providing agriculture loans to the farmers;
- (c) the details of complaints received for denial of credit to farmers on account of its poor recovery and the action taken by the Government in this regard;
- (d) the percentage and category of agricultural works for which loans are provided by the banks to the farmers, State-wise during the last three years and the current year; and
- (e) the corrective steps taken/being taken by the Government to provide adequate loans to the farmers?

**Answer**

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

(a) : The disbursement of agriculture loans to the small and marginal farmers in respect of Public Sector Commercial Banks has increased from Rs. 62,544.64 crore in 2009-10 to Rs 1,31,740.51 crore in 2011-12 (provisional). Similarly in respect of Private Sector Commercial Banks, the disbursement of agriculture loans to the small and marginal farmers has increased from Rs 5,124.29 crore in 2009-10 to Rs 7503.67 crore in 2011-12 (provisional). State-wise and Bank-wise details of small & marginal farmers financed are not maintained by NABARD.

(b): In terms of Reserve Bank's extant guidelines on lending to priority sector, a target of 40 percent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposures (OBE), whichever is higher, as on March 31 of the previous year, has been mandated for lending to the priority sector by domestic scheduled commercial banks, both in the public and private sector. Within this, a sub-target of 18 per cent of ANBC or Credit Equivalent amount of OBE, whichever is higher, as on March 31 of the previous year, has been mandated for lending to agriculture sector.

(c): The Banks have put in place the complaint/grievance handling mechanism at the Branch/Circle/Head office level of the Bank. Such complaints, as and when received, are dealt with by the concerned banks.

(d) : Loans are generally sanctioned for crop cultivation/crop maintenance and investment purposes to acquire capital assets. The details of state-wise/agency-wise crop loans and term loans sanctioned during 2009-10, 2010-11, 2011-12 and 2012-13 (upto June 2012) are given in the Annexure I to IV.

(e) : The Government has taken several policy measures from time to time to increase the availability of institutional credit 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 NABARD which provides for KCC as an ATM card which can be used at ATM/ Point of sale (POS) terminals.

