

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1188
ANSWERED ON:30.11.2012
AGRICULTURE LOAN
Agarwal Shri Rajendra

Will the Minister of FINANCE be pleased to state:

- (a) the details of the norms fixed by the Government for disbursement of agricultural loans;
- (b) the percentage of agricultural loans to the total loans disbursed by the scheduled commercial banks during the last three years and the current financial year;
- (c) whether the said banks are lagging behind in achieving their targets for agricultural loans during the said period;
- (d) if so, the details thereof, bank-wise and State-wise including Bihar; and
- (e) the corrective steps taken/being taken by the Government to provide the benefits of bank loan to all the farmers?

Answer

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

(a) to (d): In terms of Reserve Bank's extant guidelines on lending to priority sector, 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. Within this sub-target of 18 per cent, 13.5% of ANBC or Credit Equivalent amount of OBE, whichever is higher, as on March 31 of the previous year, has been mandated for direct lending to agriculture sector. The details of Disbursements made by Public sector banks under Agriculture for the last three years. Bank wise and state wise are furnished in the Annex-1 and Annex-II. 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 5,09,532 crore. The Government has set the target of Rs 5,75,000 crore in 2012-13 and achievement upto Sept, 2012 is Rs 2,39,628.93 crore.

(e): The Government of India has taken several measures for the availability of credit to farmers in general and small and marginal farmers in particular. 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 payees farmers, i.e., those who repay their loans in time. 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 up to six months post harvest on the same rates as available to crop loans against negotiable warehouse receipts for keeping their produce in warehouses. The Interest subvention Scheme for the year 2011-12 has been continued in 2012-13 as well

(ii) The Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 has de-clogged the line of credit that were clogged due to the debt burden on the farmers. Under the Scheme Rs 3.45 crore farmers have been benefitted to the extent of Rs 52,275.55 crore.

(iii) 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.

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