

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2423
ANSWERED ON:07.12.2012
BANK CREDIT TO AGRICULTURE SECTOR
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Will the Minister of FINANCE be pleased to state:

- (a) the details of growth rate of bank credit to agriculture sector during the current year as compared to the previous year;
- (b) whether it registered a decline during the said period;
- (c) if so, the details thereof and the reasons therefor;
- (d) the details of measures adopted/proposed to be adopted by the Government to achieve the target of agriculture credit during this year?

Answer

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

(a) to (c): The details of agriculture credit disbursed during the period 1st April, 2012 to 30th September, 2012 is Rs.2,39,628.93 crore as compared to the corresponding period of previous year Rs.2,23,380.18 crore. There is an increase of 7.27%.

(d): 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, 3.45 crore farmers have been benefited 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.