

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2065  
ANSWERED ON:08.03.2013  
FINANCIAL ASSISTANCE TO FARMERS  
Das Shri Ram Sundar;Karwariya Shri Kapil Muni

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

- (a) the details of subsidy provided by the Government to the farmers/agricultural sector of the country during the last three years and the current year;
- (b) whether the subsidy being provided to the farmers/agricultural sector in our country is less than the other developing countries;
- (c) if so, the details thereof and the reaction of the Government thereto; and
- (d) the steps taken/being taken by the Government in this regard?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namu Narain Meena)

(a) to (d) : Financial assistance/subsidies to farmers are provided by Central Government and the State Governments under various Schemes/Programmes.

Under the Interest Subvention Scheme, short-term crop loans upto Rs. 3 lakh are being disbursed by Public Sector Banks(PSBs), Regional Rural Banks(RRBs) and Cooperative Banks at interest rate of 7% per annum.

Additional subvention is also being extended to such loanees who repay their loan in time. The additional subvention was 1% in 2009-10, 2% in 2010-11 and 3% in 2011-12 and 2012-13. The Government has released Rs. 2011 crore in 2009-10, Rs. 3531.19 crore in 2010-11, Rs. 3282.70 crore in 2011-12 and till now Rs 4377.99 crore in 2012-13 towards implementation of the Scheme.

The number of crop loan accounts have increased from 482.30 lakh in 2009-10 to 646.57 lakh in 2011-12, registering an increase of 34%. While in the developed countries subsidies are provided to keep inter-sectoral commercial parity and international competitiveness, in the developing countries the aim of subsidies is to bring about structural transformation by making agriculture sector a commercially viable sector. The various schemes of Government of India are aimed at enhancing productivity in agriculture and farmers income.