

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5110
ANSWERED ON:26.04.2013
AGRICULTURAL CREDIT TO DROUGHT PRONE AREAS
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Will the Minister of FINANCE be pleased to state:

- (a) the present status of extending agricultural credit to farmers especially in drought prone areas of the country;
- (b) whether the Government is considering a loan waiver scheme for farmers in drought prone areas in the country; and
- (c) if so, the details thereof and if not, the reasons therefor?

Answer

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

(a):- The credit flow to agriculture during 2012-13, by the Commercial Banks, Co-operative Banks and Regional Rural Banks(RRBs) has been Rs. 4,12,064 crore (provisional) upto January, 2013. During 2011-12, the credit flow to agriculture by these institutions was Rs. 5,11,029 crore (provisional).

(b):- No, Sir. However, under the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008, 3.73 crore farmers were benefitted to the extent of Rs. 52,259.86 crore.

(c):- The Government is providing Interest Subvention Scheme since 2006-07 to make short-term crop loans upto Rs. 3 lakhs for a period of one year available to farmers at the interest rate of 7% per annum. The Government has since 2009-10 been also providing additional interest subvention to prompt payee farmers which is at present at 3% making the effective rate of interest at 4% for prompt payee farmers.

In order to provide relief to bank borrowers in times of natural calamities, Reserve Bank of India has issued standing guidelines to banks. The relief measures, inter alia, include conversion of the principal amount outstanding in the crop loans and agriculture term loans as well as accrued interest thereon into term loans for period ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops etc.