

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6172
ANSWERED ON:03.05.2013
AWARENESS CAMPAIGN BY BANKS FOR FARMERS
Jawale Shri Haribhau Madhav

Will the Minister of FINANCE be pleased to state:

- (a) whether the benefits of various bank loans/schemes available in the country have not satisfactorily percolated to the farmers in rural areas of the country;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether the banks have launched/ proposes to launch any awareness campaign in rural areas to educate the farmers in this regard; and
- (d) if so, the details thereof along with the success achieved therefrom during the last three years and current year?

Answer

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

(a) to (d): No, Madam. With the objective of making credit available to farmers, Government has been fixing targets for flow of credit to agriculture by the banking sector every year. The targets and achievements under credit flow to agriculture sector by banks during 2009-10 to 2012-13 is as follows :-

(Amount in Rs. crore)

Year	Target	Achievement	%age achievement over target
2009-10	3,25,000	3,84,514	118.3%
2010-11	3,75,000	4,46,778	124.9%
2011-12 (#)	4,75,000	5,11,029	108.0%
2012-13 (##)	5,75,000	4,39,228	76.3%

(#) Provisional (##) upto January, 2013

The number of crop loan accounts have also increased from 482.30 lakhs in 2009-10 to 646.57 lakh in 2011-12, registering an increase of 34%.

To ease the burden of interest on farmers, the Government is also providing interest subvention 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% per annum.

Further since 2009-10, farmers who repay their short-term crop loans in time are given an additional subvention. The additional subvention was 1% in 2009-10, 2% in 2010-11 and 3% in 2011-12 and 2012-13. Thus, the farmers who repay their short-term crop loans on time are now able to get credit at 4% per annum.

Banks also undertake various activities, on a continuous basis, to give publicity and create awareness in rural areas, either on their own or jointly with State Government Departments on various loan products, schemes etc. These, inter alia, include formation of Farmers' Clubs, SHG-Bank linkage programme, Joint Liability Groups, setting up Financial Literacy Centres (FLCs) and utilizing Business Correspondents/ Facilitators for spreading financial awareness.

The consistent growth in agricultural credit, over the years, from Rs. 384,514 crore in 2009-10 to Rs. 511,029 crore in 2011-12 demonstrates that the efforts of the Government in making credit available to farmers in rural areas has been largely successful.