

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3345
ANSWERED ON:30.08.2013
LOAN TO FARMERS FROM PRIVATE MONEY LENDERS
Dhurve Jyoti

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has conducted any survey to quantify loans taken by the farmers from the private money lenders;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has any schemes/programmes/statutory debt relief commission aimed at bailing out the debt ridden farmers and saving them from the clutches of the private money lenders;
- (d) if so, the details thereof; and
- (e) the other steps taken/being taken by the Government to improve banking services in the rural areas?

Answer

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

(a) & (b) The National Sample Survey Organisation(NSSO) decennially conducts the All India Debt and Investment Surveys(AIDIS) wherein the information pertaining to the share of loans taken from moneylenders is collected. The last AIDIS whose results are published is for the year 2002 according to which the share of money-lenders which stood at 69.7% in 1951 decreased to 26.8% in 2002.

(c) to (e) In view of the distress of farmers due to heavy debt burden, the Agricultural Debt Waiver and Debt Relief Scheme(ADWDRS), 2008 was implemented by the Government. As many as 3.73 crore farmers were benefitted from the Scheme to the extent of Rs. 52,259.86 crore.

In addition, Government has been fixing targets for flow of credit to agriculture by the banking sector every year. The credit flow to agriculture has increased from Rs. 3,84,514 in 2009-10 to Rs. 6,07,376 crore(Provisional) in 2012-13. The number of crop loan accounts have also increased from 482.30 lakhs in 2009-10 to 703.57 lakh in 2012-13.

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

To extend the reach of banking to those outside the formal banking system, Government has been taking various initiatives from time to time which, inter alia, include launching 'Swabhiman Campaign' to provide banking facilities to unbanked/underbanked areas, providing atleast one bank account to each household in urban/rural areas, permitting banks to use the services of Business Correspondents/ Facilitators and setting up Ultra Small Branches (USBs), etc.