

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:26
ANSWERED ON:06.12.2013
AGRICULTURAL LOANS TO FARMERS
Gulshan Smt. Paramjit Kaur

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has formulated any new schemes/policies to provide easy agriculture credit to the farmers in the recent years;
- (b) if so, the details thereof along with the funds released/targets set and the achievements made thereunder during the last three years and the current year, bank-wise;
- (c) whether any assessment has been made by the banks for the estimated need of credit flow to the agriculture sector over the next two years and if so, the details thereof;
- (d) whether the Government proposes to issue any guidelines for providing loans directly to the farmers only through the public sector banks; and
- (e) if so, the details thereof and the other steps taken/being taken by the Government to provide adequate loans to the farmers?

Answer

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (e): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. + 26 to be answered on 6th December, 2013 regarding Agricultural loans to farmers by Shrimati Parmjit Kaur Gulshan, MP.

(a) & (b) In order to provide easy agricultural credit to the farmers, the Government of India has been setting increasing annual targets for flow of agricultural credit every year. The targets have been surpassed every year since 2004-05. The details of targets and achievements of credit flow to agriculture during the last three years and the current year are annexed.

The Government of India, in addition, has since 2006-07, been implementing the Interest Subvention Scheme under which short-term crop loans upto Rs.3 lakh are made available to the farmers at an interest rate of 7 percent per annum by the Banks. The Government of India in 2009-10 introduced an additional interest subvention of 1 percent for farmers who repay their loans within the period of interest subvention i.e. within one year of disbursement of such loans. This additional subvention was increased to 2 percent in 2010-11 and 3 percent from 2011-12 onwards. The Interest Subvention Scheme has also been extended to the private sector banks from the year 2013-14.

(c) to (e) The agricultural credit target during XII Five Year Plan period(2012-17) is based on the estimation made by Working Group on Outreach of Institutional Finance, Cooperatives and Risk Management and as considered by the Steering Committee of the Planning Commission. As per the estimation, the ground level credit to agriculture during XII Plan period is likely to be in the range of Rs. 33,89,261 crore to Rs. 42,08,454 crore. Accordingly, the target for ground level credit to agriculture for the year 2012-13 was decided at Rs. 5,75,000 crore against which the banks disbursed Rs. 6,07,376 crore (provisional) and the target of Rs. 7,00,000 crore has been decided for 2013-14 against which Rs. 2,97,128.50 crore has already been disbursed as on 30th September, 2013.

The loans are provided to the farmers at the specified rates under the Interest Subvention Scheme by Public Sector Banks, Private Sector Banks, Cooperative Banks and Regional Rural Banks. There is no proposal to provide loans directly to the farmers only through the Public Sector Banks.