

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2541

ANSWERED ON:25.07.2014

DEBT BURDEN OF FARMERS

Biju Shri Parayamparanbil Kuttappan;Jadhav Shri Prataprao Ganpatrao

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

- (a) whether providing liberal/enhanced institutional credit to farmers by banks under various schemes has mounted debt burden;
- (b) if so, the reaction of the Government thereto;
- (c) the criteria fixed and the amount distributed along with the number of farmers freed from debt burden under various loan waiver schemes during the last three years and the current year, scheme and State/UT-wise including Maharashtra; and
- (d) the other steps taken/being taken by the Government to reduce the debt burden of farmers?

**Answer**

The Minister of State in the Ministry of Finance (Smt. Nirmala Sitharaman)

- (a) & (b) : The details of institutional credit outstanding to agriculture sector for the last three years are furnished below:-  
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. According to the last AIDIS, whose results are published is for the year 2002, the share of money-lenders, which stood at 69.7% in 1951, has decreased to 26.8% in 2002.
- (c) : No loan waiver scheme was announced by the Government during the last three years.

Amount in Rs. Crore/Accounts-Actual		
Year ended	No. of accounts	Loan outstanding
on 31 March	(Agriculture & allied activities)	
2012	4,38,57,946	5,83,343.28
2013	5,07,02,624	6,45,433.30
2014	5,65,55,525	8,11,290.14

Source : RBI Provisional

- (d) So as to reduce the debt burden of farmers, the Government has, inter alia, taken following major steps :-
- # 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.
- # So as to ease the burden of interest on farmers, the Government provides 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 and in case of prompt repayment, the same gets reduced to 4%.
- # In order to ensure that all eligible farmers are provided with hassle-free and timely credit for their agricultural operations, the Government has introduced the Kisan Credit Card Scheme, which enables them to purchase agricultural inputs such as seeds, fertilisers, pesticides, etc. and draw cash to satisfy their consumption needs.
- # The KCC Scheme has since been simplified and converted into ATM enabled debit card with, inter alia, facilities of one-time documentation and built-in cost escalation in the limit, etc.
- # To bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit, Joint Liability Groups(JLGs) have been promoted by banks. As on 31.3.2014, 6.96 lakh JLGs have been provided credit to the tune of Rs.6,158.05 crores (provisional) by banks.