

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:157

ANSWERED ON:21.07.2015

Indebtedness of Farmers

Patil Shri Chandrakant Raghunath

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the farmers in the country are still debt ridden;
- (b) if so, the details thereof along with the details of debt ridden farmers during the last three years and the current year, State/UT-wise;
- (c) whether per farmer debt burden is higher than the average annual per capita income in the country;
- (d) if so, the details thereof along with the reasons for rise in the indebtedness of farmers; and
- (e) the steps taken/being taken up by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE

???? ????????? ???? ????? ??????? (SHRI MOHANBHAI KUNDARIA)

(a) & (b): As per the National Sample Survey Office Report on Key Indicators of Situation of Agricultural Households in India- (NSS - 70th Round (January 2013- December 2013), 52 percent of the agricultural households in the country were estimated to be indebted to either formal or informal or both sources of credit. The average amount of outstanding loan per agricultural household was Rs.47,000 (approximate). Details of average amount of outstanding loan per agricultural household in respect of States and Group of UTs are given in the Annexure.

(c) & (d): The details of average monthly income per farmer household during the agricultural year July 2012-June 2013 in respect of States and Group of UTs as reported in the Situation Assessment Survey conducted by National Sample Survey Office during January 2013-December 2013 are given in the Annexure. Loan for the purpose of capital or current expenditure in farm business combined with successive crop failures and loan for meeting health, marriage and other social ceremonies related expenses have been identified as the major reasons for indebtedness of farmers in the country.

(e): Farmers are indebted to both institutional and non-institutional sources of credit. However, borrowing from non-institutional sources is the major reasons for debt related farmers distress. In order to reduce the dependence of farmers on

-2-

private money lenders for meeting their credit needs and providing relief to the indebted farmers, Government has taken several measures to increase institutional credit flow and bringing down the rate of interest on farm loans. These measures, inter alia, includes fixation of annual targets for improving agricultural credit flow, provision of crop loans upto Rs.3.00 lakh @4% per annum to such farmers who repay their loan as per the repayment schedule fixed by the banks, extension of benefit of interest subvention scheme to small & marginal farmers having Kisan Credit Card for a further period upto six months for storing their produce in warehouses against negotiable warehouse receipts, collateral free loan upto Rs.1.00 lakh, scheme for financing of Joint Liability Group (JLGs) etc.