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Title: Need to revoke the circular issued by NABARD regarding Primary Agricultural Credit Societies in the country.

SHRI ANTO ANTONY (PATHANAMATHITTA): Sir, I thank you for giving me this opportunity.

I request the Government to revoke the recent circular of the National Bank for Agriculture and Rural Development (NABARD), which has adverse impact on the Primary Agricultural Credit Societies (PACS) and farmers in the country. The circular seeks to transfer the assets of Primary Agricultural Credit Societies to District Cooperative Banks so that the former may function as a business correspondent to the latter.

The cooperative movement in India was started with an aim to encourage and promote thrift and mutual help among the farmers in the country and to protect farmers from the exploitation of the money lenders. Keeping in view these objectives, the Primary Agricultural Credit Societies were formed under the Cooperative Societies Act of 1904. These credit societies are easily accessible to the farmers in the country than the Nationalized and Scheduled Banks do. Today, the Primary Agricultural Credit Societies are not only playing a major role in protecting the farmers from the exploitation of the money lenders but also they are doing the best in availing seeds and fertilizers in a reasonable price and also procuring food grains by ensuring maximum returns to the farmers. The Primary Agricultural Credit Societies are finding their financial resources for these farmers' supportive programmes from the reasonable interests collected from the agricultural loans. If the NABARD circular is implemented, then the Primary Agricultural Credit Societies will not be able to grant agricultural loans and their income would be confined to only one per cent commission allocated by the District Cooperative Banks. The Primary Agricultural Credit Societies cannot sustain in such a condition and the fading of them will ultimately affect the agricultural sector in the country as a whole.

Therefore, I would request the Government to kindly protect the interests of the farmers in the country by revoking the recent circular on the Primary Agricultural Credit Societies issued by the NABARD.