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Title: Need to repeal present system of interest subvention for repayment of agricultural loans and reintroduce the earlier system to address the plight of farmers in Kerala.

SHRI ANTO ANTONY (PATHANAMATHITTA): Respected Madam, I take this opportunity to invite your kind attention towards a serious matter.

The existing interest subvention system for the repayment of agricultural loans in the country adversely affects the farmers in Kerala. It may be noted that the existing system was introduced three years back. The new interest subvention system is based on Khariff and Rabi seasons. The Rabi season starts on 1st October and ends on 31st March. Agricultural loans for the Khariff crops are being released in the same period. Khariff season starts on 1st April and ends on 30th September. In order to get the interest subvention for agricultural loans, the farmers have to repay the amount on or before 1st June. This is also asymmetrical because the Rabi crops get a tenure of six months for repayment of agricultural loans and the Khariff crops get a tenure of three months for the repayment of the same. This interest subvention system may be viable to the short-term crops which fall under the Khariff and Rabi seasons. But it is not feasible for the farmers in Kerala, because the major cultivations in Kerala such as coconut, rubber, banana, pepper, cardamom etc. are long-term crops and do not fall under Khariff and Rabi seasons. These crops need a long period for getting yield. Hence, the farmers in Kerala are not able to repay the loan amount in the stipulated date and most of them have to remit the full interest. It is a pity to negate them the benefit of interest subvention in terms of Khariff and Rabi seasons in this hard time.

Therefore, I request the Government to repeal the present system and re-introduce the system that we had three years before. The system existed before three years had given a period of one year for the repayment of loans. As far as the farmers in Kerala are concerned, this is the only viable system in which they get the full benefits of interest subvention.