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Title: Need to give a financial package for the drought affected farmers in Odisha.

SHRI BHARTRUHARI MAHTAB (CUTTACK): The present condition of monsoon does not hold much cause for cheer. The relative lull in rainfall in July is yet to be overcome and the latest forecast by the Meteorological Department shows that the remaining two months of the four months monsoon season is likely to result in lesser amount of rainfall than the first two months.

Mr. M. Rajeevan of the National Atmospheric Research Laboratory in Tirupati has said that the last two months had been very few low pressure areas being formed over Bay of Bengal, because of which, the strength of the monsoon winds has not been very strong.

What is more worrying is that East and North-east India have experienced a 16 per cent shortfall as of now and that was unlikely to change in the remaining season.

Orissa suffered widespread crop loss due to drought and un-seasonal and untimely rains during the last year. As a result, crop loans amounting to Rs. 1,000.42 crores advanced during Kharif, 2010, are eligible for conversion into Medium Term Conversion (MTC) Loan repayable by the affected farmers over a period of 3-5 years.

These converted MTC Loans will carry an interest of 11.25 per cent in view of the fact that NABARD would be extending refinance at 7.25 per cent per annum.

Since these loans, which are really affecting our farmers in a very great way, are basically crop loans, which have been rescheduled for repayment, such a high interest is not in the interest of farmers who have suffered crop loss. These affected farmers deserve to get the benefit of interest subvention at par with that allowed to crop loans.

A higher rate of interest on the Medium Term Conversion Loans than the crop loan originally advanced to the calamity hit farmers will push them into further distress.

This Policy needs examination at the Government of India level and the Medium Term Conversion Loan should be covered under interest incentive schemes to keep the interest rate at par with the crop loans.

I would urge upon the Government to become conscious to the fact what our farmers are facing. Darker crisis will loom large if monsoon fails and already more than 50 per cent of the crops area in Orissa is in a drought like situation.

Therefore, I would urge upon the Government to provide a special package for the farmers of affected areas and also to examine the Policy relating to medium-term loans and extend incentive schemes to keep interest rate at par with the crop loans. Thank you, Sir.