

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Unstarred Question No. 2226†
Answered on Monday, August 02, 2021/Sravana 11, 1943 (Saka)

LOAN WAIVER TO FARMERS

Question

†2226. SHRI HAJI FAZLUR REHMAN:

SHRI GIRISH CHANDRA:

Will the Minister of FINANCE be pleased to state:

- the percentage and amount of loan of small and marginal farmers waived from 2019 and the current year by the Public Sector Banks, category and bank-wise;
- whether the Government proposes to waive off the loan of farmers as well as Scheduled Castes and Scheduled Tribes in the country including Uttar Pradesh;
- if so, the time by which it is likely to be waived off and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) to (c): Government of India has not implemented any farm loan waiver scheme since Agriculture Debt Waiver and Debt Relief Scheme (ADWDRS), 2008. There is no proposal under consideration of the Government of India to waive off the loans of farmers including Scheduled Caste and Scheduled Tribes farmers in the country.

The Government of India/Reserve Bank of India (RBI), have *inter-alia*, taken the following major initiatives to reduce the debt burden of farmers and welfare of the people engaged in agriculture including Scheduled Caste and Scheduled Tribes.

- With a view to ensure availability of agriculture credit at a reduced interest rate of 7% p.a. to the farmers, the Government of India in the Department of Agriculture Cooperation and Farmers' Welfare (DAC&FW) implements an interest subvention scheme for short term crop loans up to Rs. 3.00 lakh. The scheme provides interest subvention of 2% per annum to Banks on use of their own resources. Besides, additional 3% incentive is given to the farmers for prompt repayment of the loan, thereby reducing the effective rate of interest to 4%.
- To enhance coverage of small and marginal farmers in the formal credit system, RBI has decided to raise the limit for collateral-free agriculture loans from Rs. 1 lakh to Rs. 1.6 lakh.
- To bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit, Joint Liability Groups (JLGs) have been promoted by banks.
- Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme has been implemented to provide an assured income support to all farmers, irrespective of the size of their land holdings subject to the exclusion factor. Under this scheme direct income support @ of Rs. 6,000 per year is transferred directly into the bank accounts of beneficiary farmers, in three equal installments of Rs. 2,000 each.
- Pradhan Mantri Fasal Bima Yojana (PMFBY) provides a comprehensive insurance cover against failure of insured crops due to non-preventable natural risks, thus providing financial support to farmers suffering crop loss/ damage arising out of unforeseen events; stabilizing the income of farmers to ensure their continuance in farming; and encouraging them to adopt innovative and modern agricultural practices.
- Ministry of Tribal Affairs, Department of Social Justice & Empowerment and DAC&FW are implementing various schemes for welfare of Scheduled Caste and Scheduled Tribes, *inter-alia*, including Special Central Assistance to Tribal Sub-Scheme, Institutional Support for Development & Marketing of Tribal Products/Produce, Equity Support to National Scheduled Tribe Finance and Development Corporation (NSTFDC), Pradhan Mantri Adarsh Gram Yojana (PMAGY), Special Central Assistance to Scheduled Castes Sub-Plan, Credit Linkage and Skill Training through National Scheduled Castes Finance and Development Corporation (NSFDC).