

- (vii) The State Governments have been advised to constitute Standing Committee to assess the requirements of agricultural credit for the Rabi and Kharif season.
- (viii) Steps have also been initiated to amend Multi-State Cooperative Societies Act, with a view to restore autonomy in the cooperative institutions.
- (ix) The Cooperative Bank of India has been registered so as to enable the cooperative credit structure to impart greater internal mobility to its resources.
- (x) NABARD has been asked to formulate a scheme for introduction by banking institutions of Agricultural Credit Cards for farmers to make a variant demand of credit requirement.

The Reserve Bank of India (RBI), as a special case, has announced the following relief measures in view of the crop loss in Andhra Pradesh:—

- (i) No recovery of either principal or interest to be made from affected farmers for two years.
- (ii) Amount to be collected during these two years shall be rescheduled for a period of 7 years.
- (iii) Banks to lend immediately for fresh crops to affected farmers on the enhanced scales of finance fixed by the District Level Technical Committees.
- (iv) Rate of interest to be reduced to 4% for small and marginal farmers who are eligible under DRI Scheme.
- (v) No compounding of interest to be made in respect of rescheduled loans. Banks to also not levy any penal interest, if charged.

Further, a proposal is under the active consideration of the Government to introduce a Modified Comprehensive Crop Insurance Scheme (MCCIS)

covering all the farmers (both loanee and non-loanee farmers) and some additional cash crops such as sugarcane, potatoes, cotton etc.

#### **Drought Prone Areas of Orissa**

1684. SHRI NARENDRA PRADHAN: Will the PRIME MINISTER be pleased to state:

(a) whether there is any scheme/programme envisaged by Government to alleviate the drought prone areas of Western Orissa; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL): (a) and (b) The Central Government is implementing a long-term Area Development Programme called Drought Prone Areas Programme (DPAP) in 47 blocks of 8 districts (Bolangir, Sonepur, Dhenkanal, Kala-handi, Naupada, Phulbani, Boudh and Bargarh) of Orissa State. The objectives of the scheme are:

- (i) To mitigate the adverse effects of drought on crop and livestock and human population.
- (ii) To encourage restoration of ecological balance.
- (iii) To promote economic development of village community.
- (iv) To improve economic and social conditions of the resource—poor and the disadvantaged sections of village community such as the assetless and the women.

Under the programme, projects have been taken up since 1995-96 for developing on the average, an area of 500 hectares on watershed basis over a period of 4 years. At present, 191 projects, out of 222 targetted, are under implementation.

The expenditure on implementing the programme is shared between the Centre and the State Governments on 50:50

basis. The amount of Central assistance provided for these projects during the last three years is as under:

	(Rs. in lakhs)
1995-96	403.84
1996-97	295.00
1997-98	63.84

#### **Subsidies for Farmers**

1685. DR. Y. LAKSHMI PRASAD: Will the PRIME MINISTER be pleased to state:

(a) the direct and indirect subsidies granted to farmers, along with their annual impact;

(b) the subsidies, out of them, granted to small and marginal farmers as well as to relatively poor sections amongst them;

(c) whether any study has been conducted to ascertain that the benefit of subsidies reach the targeted people;

(d) if so, the outcome thereof; and

(e) if not, the manner in which it is ensured that the benefits of the subsidies actually reach the targeted people?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL): (a) and (b) Major agricultural input subsidies given to the farmers are fertilizers, irrigation and power. A statement giving the details of these subsidies is attached (see below). Subsidies on irrigation and power are given indirectly by the State Governments charging lower rates than that at actual costs. The subsidies on fertilisers are also routed through the manufacturers/suppliers of fertilisers.

All the subsidies/concessions are available to all the categories of farmers including small and marginal ones.

(c) to (e) No study has been conducted to verify whether such subsidies/ concessions reach the targeted population. However, it is not practically feasible to pay the subsidies/concessions directly to the farmers whose number is nearly 105 million and spread over the length and breadth of the country. All the policy guidelines for payment of subsidies/concessions are keeping in view the interests of the farmers.

#### **Statement**

##### *Details of Major Subsidy in Agriculture*

(Rs. in crores)

Subsidy	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	
I. Fertilizers	5796	4400	5244	6733	7767	9190	10026
(a) Imported Fertilizers	996	6(H)	1166	1933	1350	1950	826
(b) Domestic Fertilizers	4800	3800	4078	4300	4743	5240	6600
(c) Sale of decontrolled fertilizers with concessions to farmers.	—	N.A.	N.A.	500	1674	2000	2600
II. Electricity Subsidy	7205	8888	10113	13794	15329	17285	N.A.
III. Irrigation Subsidy	5235	5495	6828	N.A.	N.A.	N.A.	N.A.