

Lack of banking penetration for farmers in remote areas

2185. SHRI A.W. RABI BERNARD: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that only 50 per cent of farmers are under Agriculture Credit Net as per an NSSO survey and 43.42 million farmers households are under debt at a time when Government is pushing for credit coverage for the entire farming community;

(b) if so, the details thereof;

(c) whether due to lack of banking penetration in remote areas, farmers especially small and marginal are largely dependent on local money lenders for credit; and

(d) if so, the details thereof and the corrective measures taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI TARIQ ANWAR): (a) to (d) As per NSSO Situation Assessment Survey of farmers, 59th Round (January-December, 2003) Report No.498, out of 89.35 million farmer households, 43.42 million (48.6%) were reported to be indebted and more than 50% of indebted farmer households had taken loan for the purpose of capital or current expenditure in farm business. The survey report also indicates that the share of banks and cooperative societies in the outstanding loan taken by farmer household was 55% followed by moneylenders (26%).

Government has taken several measures to improve institutional credit flow to farmers. These *inter-alia*, include announcement of agriculture credit flow targets in the union budget to ensure that adequate credit is made available to farmers by banks, provision of crop loans upto Rs.3.00 lakh @ 4% per annum to such farmers who repay their loan as per the repayment schedule fixed by the banks, extension of benefit of interest subvention scheme to small & marginal farmers having Kisan Credit Card for a further period upto six months for storing their produce in warehouses against negotiable warehouse receipts, collateral free loan upto Rs.1.00 lakh, implementation of revival package for short term cooperative credit structure in the country. Implementation of Agricultural Debt Waiver and Debt Relief Scheme, 2008 has also helped in de-clogging the lines of credit that were clogged due to debt burden on farmers.