

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS' WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS' WELFARE

RAJYA SABHA
UNSTARRED QUESTION NO. 497
TO BE ANSWERED ON 07/02/2025

SUPPORT FOR TENANT FARMERS IN TELANGANA

497. SHRI RAVI CHANDRA VADDIRAJU:

Will the Minister of Agriculture and Farmers Welfare be pleased to state:

- a) whether the Ministry has assessed the challenges faced by tenant farmers in Telangana, such as access to credit, insurance, and benefits, if so, the details thereof;
- b) whether any steps have been taken to recognize tenant farmers and include them in Government schemes, if so, the details thereof; and
- c) whether there are plans to work with state Governments to protect tenant farmers' rights and livelihoods, if so, the details and timeline thereof?

ANSWER

THE MINISTER OF STATE OF AGRICULTURE AND FARMERS WELFARE
(SHRI RAMNATH THAKUR)

(a) to (c): Agriculture and land rights including tenancy is a State subject. However, the Government of India implements various schemes and programmes for the welfare of farmers including tenant farmers of the country. A gist of some of the important schemes implemented by Department of Agriculture & Farmers Welfare for the welfare of farmers including tenant farmers is given at **Annexure-I**.

The following measures / initiatives have been taken with respect to agricultural Credit to farmers including tenant farmers:

(i) **Kisan Credit Card (KCC) and Modified Interest Subvention Scheme (MISS)**

The KCC scheme aims at providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedure to the farmers (individual/joint borrowers who are owner cultivators), tenant farmers, oral lessees, share croppers, Self Help Groups or Joint Liability Groups of farmers including tenant farmers and share croppers etc.

The government is implementing a 100% centrally funded Central Sector Scheme known as the Modified Interest Subvention Scheme (MISS) across various States and UTs in India to provide short-term agricultural loans at concessional interest rates through Kisan Credit Cards (KCC). Under this scheme, farmers including tenant farmers receive KCC loans at a subsidized interest rate of 7%. To facilitate this, an up front interest subvention (IS) of 1.5% is provided to financial institutions. Additionally, farmers who repay their loans promptly receive a 3% Prompt Repayment Incentive (PRI), effectively reducing the interest rate to 4% per annum.

The benefits of IS and PRI are available for loan limits up to Rs.3 lakhs. However, if the short-term loan is taken for allied activities (other than crop husbandry), the loan amount is limited to Rs.2 lakhs only. Keeping in view the overall inflation and rise in agricultural input cost over the years since 2019, the limit for collateral free agricultural loans was raised from Rs.1.6 lakh to Rs.2 lakh.

(ii) **Fixing Target for Agriculture in Priority Sector Lending:**

Priority Sector Lending (PSL) is a critical component of the banking policy in many countries, including India. It mandates that a specified portion of bank lending must be directed towards certain sectors considered vital for the economy and society. These sectors typically include agriculture, micro, small and medium enterprises (MSMEs), education, housing, social infrastructure, renewable energy, and others. The primary objective of PSL is to ensure that adequate and timely credit is available to these sectors, thereby promoting inclusive growth and balanced development.

As per priority Sector Lending (PSL) regulation govt has mandated that banks will provide 18% of their total loans to agriculture and allied sector. Since 2016 a sub limit has been fixed for small and marginal farmers which at present is 10% (i.e. 56% of total agriculture credit must go to small and marginal farmers).

(iii) **Financing of Joint Liability Groups (JLG) of 'Bhoomi Heen Kisan':**

Tenant farmers, share croppers and oral lessees are excluded from institutional credit/formal banking institutions. These mid segment clients had access to productive assets but were unable to access institutional credit due to their inability to offer adequate security. These farmers are eligible to form JLGs.

JLGs of 'Bhoomi Heen Kisan' are informal groups of 4-10 members engaged in similar economic activities and willing to jointly undertake to repay the loans taken by the group. The Union Budget of 2014-15 provided for financing of 5 lakh JLGs of Bhoomi Heen Kisan

through NABARD. RBI has issued guidelines to all Scheduled Commercial Banks in this regard.

Apart from extending refinance support to banks, NABARD also extends grant support to banks and other JLG promoting agencies for formation and nurturing of JLGs and capacity building of the stakeholders. To encourage JLG formation and promotion, NABARD provides grant assistance of Rs. 4000 per JLG.

In addition, Telangana Government has reported that they have taken following measures to enhance access to Credit to the Tenant farmers in Telangana:

- In Telangana banks are issuing Joint Liability Groups (Bhoomi Heen-Kisan) for the group Includes Tenant farmers. During Fy 2024-25, banks have disbursed an amount of Rs. 337.35 Crores to 68177 groups. The total JLG loan outstanding with banks as on 30.09.2024 is Rs. 1109.99 crores extended to 339116 groups (As per 43rd SLBC meeting of Telangana).
- The Purpose of the JLG Scheme is to augment flow of credit to landless farmers cultivating land as tenant farmers, oral lessees or share croppers and small / marginal farmers as well as other poor Individuals taking up farm activities, off-farm activities and non-farm activities.

To Extend collateral free loans to tenant farmers through JLG mechanism. To provide food security to vulnerable section through enhanced agriculture production, productivity and livelihood promotion through joint farming.

(iv) **Pradhan Mantri Fasal Bima Yojana (PMFBY):**

Government has introduced yield based Pradhan Mantri Fasal Bima Yojana (PMFBY) and weather index based Restructured Weather Based Crop Insurance Scheme (RWBCIS) from Kharif 2016 to provide financial support to farmers suffering crop loss/damage arising out of natural calamities, adverse weather incidence and to stabilize the income of farmers etc. Comprehensive risk insurance is provided under the scheme from pre-sowing to post-harvest losses.

The scheme is voluntary for the States since inception and for all farmers w.e.f. Kharif 2020. All farmers including sharecroppers and tenant farmers growing the notified crops in notified areas by concerned State Government are eligible for coverage. However, farmers should have insurable interest for the notified/insured crops and the insured area/land. Landless labourers, shopkeepers and retailers, who do not have any insurable interest in the notified crop/land, are not covered under the scheme. Eligible farmers can avail crop insurance under the scheme through financial institutions/banks, insurance companies or their agents/intermediaries, Common Service Centres (CSCs) or directly on crop insurance portal. As per provisions of the scheme, State Governments define the documents required for insurable interest of farmers for coverage under PMFBY.
