

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2521
ANSWERED ON:07.03.2003
AGRICULTURAL CREDIT
BIKRAM KESHARI DEO

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government have drawn out a detailed strategy and plan for the RBI/NABARD consultation with Ministry of Agriculture to achieve the target of Rs. 7,50,000 crores for agricultural credit from commercial banks to be disbursed during the Tenth Five Year Plan; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) The 10th Five Year Plan document has estimated the credit requirement for agriculture at Rs. 7,36,570 crore of which an amount of Rs. 3,59,701 crore is estimated as production credit and Rs. 3,76,869 crore for investment credit. These projections have been made in respect of flow of credit to agriculture and allied activities by all banks viz. commercial banks, co-operative banks and Regional Rural Banks (RRBs) against the background for achieving a 4 per cent growth rate in agricultural Gross Domestic Product (GDP). The 10th Plan further emphasizes progressive institutionalization for providing timely and adequate credit support to farmers with particular focus on small/ marginal farmers and weaker sections of society to enable them to adopt modern technology and improved practices for increasing agricultural production and productivity. Several measures have been taken by RBI/NABARD for stepping up of lending for agriculture and allied activities by Commercial Banks, Cooperative Banks and Regional Rural Banks (RRBs). These steps included:

(i) Advice to Commercial Banks to step up their direct lending to agriculture so as to achieve the target of 18 per cent of net bank credit;

(ii) Advice to Public Sector Banks to prepare Special Agriculture Credit Plans (SACP) for increasing credit flow to agriculture;

(iii) Coverage of all eligible farmers by 31st March, 2004 under the Kisan Credit Card Scheme; and

(iv) Refinance to Banks at concessional rate of interest to enable them to increase the credit flow to agriculture sector.