

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:3574

ANSWERED ON:18.04.2005

LOAN BURDEN ON MARGINAL FARMERS

Chavda Shri Harisinh Pratapsinh;Patel Shri Jivabhai Ambalal

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether burden of loan on the poors and marginal farmers of India is increasing while their sources of income are shrinking;
- (b) if so, the reaction of the Government in this regard;
- (c) the details of average income and average loan of the poors and marginal farmers during the last three years;
- (d) whether the Government has decided to waive the loans of the farmers upto rupees ten thousand; and
- (e) if not, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) & (b): As per the All India Debt and Investment Survey 1991, the debt burden on farmers has increased from Rs.605/- in 1971 to Rs.2294/- in 1991. The Government announced a package of measures on 18th June, 2004 for providing relief to the farmers reeling under the burden of debt from institutional and non- institutional sources. Pursuant to the announcement, the Reserve Bank of India and the Indian Banks Association (IBA) issued guidelines to commercial banks, while National Bank for Agricultural and Rural Development (NABARD) issued similar guidelines to co-operative banks and the Regional Rural Banks (RRBs). These guidelines include: (i) debt restructuring and provision of fresh loans to farmers affected by natural calamities; (ii) one-time settlement for small and marginal farmers; (iii) fresh finance for farmers whose earlier debts have been settled through compromise or write-offs; and (iv) relief measures for farmers indebted to non-institutional lenders.

(c): The information is being collected and will be laid on the table of House.

(d) & (e): As a one time measure, Government of India decided to waive completely the first year's deferred liability of interest on Kharif 2002 crop loans of the farmers in the drought affected districts.