

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:725
ANSWERED ON:28.11.2005
FARMERS IN DEBT
Rawat Shri Kamla Prasad

Will the Minister of AGRICULTURE be pleased to state:

- (a) the details of per capita income of the farmers, State-wise;
- (b) whether any survey has been conducted to assess the number of farmer families in debt in the country;
- (c) if so, the details thereof, State-wise;
- (d) whether in Uttar Pradesh large number of farmers are in debt; and
- (e) if so, the efforts made to remedy the situation?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): Details are at Annexure-I.

(b) & (c): Yes, Sir. Details are at Annexure-II.

(d): As per survey report No.498 released by National Sample Survey Organization on Indebtedness of Farmer Households, 40.3 % of farmer households in Uttar Pradesh are indebted.

(e): Details are at Annexure-III

Annexure-I

Average monthly per capita consumption expenditure (Rs.) (as a Proxy for income).

MPCE # (Rs.) on

State/UT Food Non-Food Total

Andhra Pradesh	289.00	223.55	512.55
Arunachal Pradesh	307.42	275.23	582.65
Assam	311.72	167.70	479.42
Bihar	250.28	153.32	403.60
Chattisgarh	219.11	159.78	378.89
Gujarat	313.29	249.58	562.87
Haryana	393.97	347.13	741.10
Himachal Pradesh	371.46	337.01	708.47
Jammu & Kashmir	396.86	314.96	711.82
Jharkhand	225.06	127.79	352.85
Karnataka	262.71	228.48	491.19
Kerala	418.88	481.71	900.59
Madhya Pradesh	217.17	189.13	406.30
Maharashtra	268.25	255.87	524.12
Manipur	314.98	277.29	592.27
Meghalaya	347.06	245.68	592.74
Mizoram	365.06	291.53	656.59
Nagaland	478.02	404.91	882.93
Orissa	202.81	138.94	341.75
Punjab	403.84	424.17	828.01
Rajasthan	308.63	248.82	557.45
Sikkim	329.60	218.42	548.02
Tamil Nadu	302.07	270.74	572.81
Tripura	316.64	245.25	561.89
Uttar Pradesh	257.30	217.59	474.89

Uttaranchal	301.81	264.78	566.59
West Bengal	311.32	196.42	507.74
Groups of UTs	349.84	308.66	658.50
All India	278.74	224.09	502.83

Source: NSS Report No.495 : Consumption Expenditure of Farmer Households, 2003.
Monthly Per Capita Consumption Expenditure

Annexure-II

Estimated number of rural households, and total and indebted farmer households in each State

	Estimated Number of rural households (` 00)	Estimated Number of farmer households (` 00)	Estimated number of indebted farmer households (` 00)	Percentage of farmer indebted households (` 00)
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Andhra Pradesh	142512	60339	49493	82.0
Arunachal Pradesh	15412	1227	72	5.9
Assam	41525	25040	4536	18.1
Bihar	116853	70804	23383	33.0
Chattisgarh	36316	27598	11092	40.2
Gujarat	63015	37845	19644	51.9
Haryana	31474	19445	10330	53.1
Himachal Pradesh	11928	9061	3030	33.4
Jammu & Kashmir	10418	9432	3003	31.8
Jharkhand	36930	28238	5893	20.9
Karnataka	69908	40413	24897	61.6
Kerala	49942	21946	14126	64.4
Madhya Pradesh	93898	63206	32110	50.8
Maharashtra	118177	65817	36098	54.8
Manipur	2685	2146	533	24.8
Meghalaya	3401	2543	103	4.10
Mizoram	942	780	184	23.6
Nagaland	973	805	294	36.5
Orissa	66199	42341	20250	47.8
Punjab	29847	18442	12069	65.4
Rajasthan	70172	53080	27828	52.4
Sikkim	812	531	174	38.8
Tamil Nadu	110182	38880	28954	74.5
Tripura	5977	2333	1148	49.2
Uttar Pradesh	221499	171575	69199	40.3
Uttaranchal	11959	8962	644	7.20
West Bengal	121667	69226	34696	50.1
Groups of UTs	2325	732	372	50.8
All India	1478988	893504	434242	48.6

Source : NSSO Report No.498 : Indebtedness of Farmer Households NSS 59th Round (May, 2005)

Annexure - III

Statement referred to in part (e) of Lok Sabha Unstarred Question No. 725 for answer on 28.11.2005 by Shri Kamla Prasad Rawat regarding `Farmers in Debt`.

1. To increase the share of institutional credit and to provide relief to the indebted farmers of the country including Uttar Pradesh, Government has advised the banks as under:

i. To increase credit flow to agriculture sector at the rate of 30% per year.

ii. Debt restructuring under the following heads in accordance with the guidelines issued by Reserve bank of India (RBI)/ National Bank for Agriculture & Rural Development (NABARD):

Farmers in distress – Rescheduling/restructuring of the outstanding loan of the farmer as on 31st March, 2004 in the districts declared as calamity-affected by the State Government. Rescheduled loan shall be repayable over a period of five years, at current interest rates, including an initial moratorium of two years.

Farmers in arrears – Loans in default of farmers who have become ineligible for fresh credit as their earlier debts have been categorized as sub-standard or doubtful shall be rescheduled as per the guidelines so that such farmers become eligible for fresh credit. On restructuring as above, the farmers will become eligible for fresh loans.

iii. Banks have been advised to grant a one-time settlement (OTS) including partial waiver of interest or loan to the small and marginal farmers who have been declared as defaulters and have become ineligible for fresh credit. Banks have also been advised to review

cases where credit has been denied on the sole ground that a loan account was settled through compromise or write offs.

iv. In some parts of the country, farmers face acute distress because of the heavy burden of debt from non-institutional lenders (e.g., moneylenders). Banks have been permitted to advance loans to such farmers to provide them relief from indebtedness.

v. The banks have been advised to waive margin/ security requirements for agricultural loans up to Rs. 50,000 and agri-business and agri-clinics up to Rs. 5 lakh.