

**GOVERNMENT OF INDIA
STATISTICS AND PROGRAMME IMPLEMENTATION
LOK SABHA**

UNSTARRED QUESTION NO:3112
ANSWERED ON:23.08.2006
RURAL INDEBTEDNESS
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Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

- (a) whether the National Sample Survey Organisation (NSSO) has found that the 43.42 million of the estimated 89.35 million rural farmer households, that is 48.6 per cent, are indebted;
- (b) if so, the details thereof, State-wise alongwith the reasons therefor;
- (c) whether the indebted rural farmer households spend more than 50 per cent of the measly Rs.300 on food alone;
- (d) if so, the reasons therefor; and
- (e) the steps taken/proposed to be taken by the Union Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE), MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI G.K. VASAN)

- (a) The NSSO 59th Round survey revealed that out of 89.35 million farmer households, 43.42 million (48.6%) were reported to be indebted i.e. having a liability in cash or kind with value Rs.300 or more at the time of transaction.
- (b) The details are annexed (Annex-I). The common reasons for taking loan are
 - (i) capital expenditure in farm business and non-farm business,
 - (ii) consumption expenditure,
 - (iii) marriages and ceremonies,
 - (iv) education and
 - (v) medical treatment .
- (c & d) As per NSS report, for the rural farmer households, expenditure on food is more than 50 percent of their total expenditure. The main reasons for this is the priority for food items and low level of purchasing power of rural farmer households.
- (e) The Government of India has accorded the highest priority to revitalization of rural economy including agriculture sector and bringing improvement in the conditions of farmers. For this purpose a number of schemes are undertaken in various states and farmers are given assistance under different components. Most of the schemes are being implemented through the State Governments. The policy decisions are
 - (i) doubling of agricultural credit flow in next three years and provision of debt relief to the farmers affected by natural calamities,
 - (ii) restructure the rate of interest in favour of farmers,
 - (iii) revamping of cooperative credit structure,
 - (iv) National Agricultural Insurance Scheme(NAIS) &
 - (v) special package of rehabilitation to mitigate the distress of farmers in the districts registering high incidence of farmers suicide in the identified States, namely, Maharashtra, Andhra Pradesh, Karnataka and Kerala and effective implementation of poverty alleviation programmes in rural areas.