

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1467
ANSWERED ON:16.07.2004
LOAN TO FARMERS
Gadakh Shri Tukaram Gangadhar

Will the Minister of FINANCE be pleased to state:

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- (a) the amount of total loan given to farmers by Government/banks/cooperative agencies for farming during the last three years, State-wise;
- (b) whether the farmers of some States have been found defaulters;
- (c) if so, the details thereof, State-wise;
- (d) the reasons for default; and
- (e) the steps being taken by the Government to safeguard these agriculturists/farmers and check default?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

- (a) The State-wise details of the Ground Level Credit Flow to Agriculture and allied activities by the financial institutions during the years 2000-01, 2001-02 and 2002-03 are given in the Statement enclosed.
- (b) and (c) There have been reports of defaults of farm credit in all the States. However, the present data reporting system does not generate information on the number of defaulters and amount of default State-wise.
- (d) There are several reasons for such default which include natural calamities, infructuous investments, unfavourable price situations, bad quality of inputs, pest attack, failure of monsoon, poor marketing infrastructure, unforeseen expenditure due to sickness, etc.
- (e) Government has recently announced a debt relief package for providing various relief measures to the farmers in distress, farmers in arrears, small and marginal farmers and farmers who have heavy burden of debt availed from non-institutional sources like money lender, etc. The package also provides relief by way of rescheduling of loans in respect of farmers in distress and farmers in arrears. For small and marginal farmers, a one time settlement is also provided for. Reserve bank of India (RBI), Indian Banks' Association (IBA) and National Bank for Agriculture and Rural Development (NABARD) have issued guidelines to commercial banks Regional Rural Banks and Cooperative Banks for providing debt relief to farmers.