

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:34
ANSWERED ON:13.08.2007
RELIEF TO POULTRY INDUSTRY
Sarvey Shri Sathyanarayana

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government and Reserve Bank of India had issued instructions to provide relief to the poultry industry;
- (b) if so, the details thereof;
- (c) whether the condition of the poultry industry has improved due to these instructions;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHARAD PAWAR)

(a)to(e): A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO.34 TO BE ANSWERED ON 13TH AUGUST, 2007.

(a)&(b): Yes Sir. In wake of the distress caused to the poultry sector by isolated incidence of bird flu in Maharashtra, Madhya Pradesh and Gujarat in February- March 2006, the Government had announced a financial relief package on 30.3.2006, which included following measures:

- i) A moratorium of one year on repayment of existing principal and interest for term loans and working capital due to all scheduled banks, cooperative banks and Regional Rural Banks.
- ii) Conversion of working capital into term loan. The first year of repayment was to be after the expiry of moratorium period.
- iii) Re-scheduling of term loans availed by poultry units over an additional period of two years from the agreed tenor of the term loan.
- iv) After conversion of working capital into term loan, poultry units to be permitted to draw additional working capital depending on the commercial viability of each unit.
- v) Barring willful defaulters, Reserve Bank of India not to treat defaulted accounts as NPAs.
- vi) Grant of one time interest subvention of 4% for a period of one year on the outstanding principal amount as on 31.3.2006 (not including any part of the principal amount that had become overdue).

The Reserve Bank of India and NABARD issued necessary instructions in this regard to all concerned Banks on 4th April and 5th April 2006 respectively.

The Government also gave an amount of Rs.107.00 crore to the Reserve Bank of India for implementation of interest subvention granted to all poultry units, as mentioned at (vi) above.

(c)to(e): Yes, Sir. The above financial measures, coupled with release of maize at a concessional rate for use in poultry feed, has enabled the poultry units to continue being in business, reduce their operating costs, utilize their revenue streams for day -to-day operations and, in general, tide over difficult months by benefiting from deferment of repayment obligations and infusion of additional cash flow from banks.