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Title: Need to extend crop loans to farmers to strengthen agriculture sector in the country.

SHRI D. VENUGOPAL (TIRUVANNAMALAI): In 2008, when developed countries like America faced economic crisis, India was not affected much. During that time, the measures Government of India took in the name of containing money circulation in the form of CRR adjustments and successive petrol price hike have geared up spiralling up of prices. But the basic problem for the present economic crisis our country faces with high prices of essential commodities is due to fall in growth rate and our misplaced Exim Policy. This has led to devaluation of our rupee. Only increasing our agricultural production can change this grave situation. Hence, there is an urgent need to provide crop loan timely to the agriculturists through our nationalized banks. There is also an urgent need to streamline the crop loan processing to benefit the rural farmers. Recently, the Reserve Bank of India reduced the CRR to see that more of funds are available for extending loans. At this point of time, educational loans and house building loans must be liberally and additionally extended especially in rural areas. These kinds of loans normally do not end up as NPAs. We must also ensure all the banks including the private ones follow the guidelines of the Reserve Bank of India. For instance, the Reserve Bank guidelines not to levy penalty on pre-payment of house loans, have not been followed by all the banks. Hence, it is necessary to impress upon all the banks to restructure the increased rate of interest. So, I urge upon both the Agriculture Ministry and the Finance Ministry to collaboratively form local level monitoring committees with the inclusion of Members of Parliament to oversee the loan distribution by banks. I request the Hon'ble Prime Minister to look into this on an urgent basis.