

Government of India
Ministry of Finance
Department of Financial Services
LOK SABHA
Unstarred Question No. †3004
To be answered on Friday, January 05, 2018/Pausha 15, 1939 (Saka)

Loan to Dairy Units

†3004 SHRI DEVJI M. PATEL.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government/Banks provide loans for setting up small dairy units in the country;
- (b) if so, the details thereof along with the total number of farmers who have been granted such loans for setting up small dairy units in the country, Bank/ State/ UT-wise including Rajasthan during the last three years and the current year;
- (c) whether the said loan is inadequate for establishing a modern dairy unit, if so, the details thereof;
- (d) whether the Government proposes to raise the said amount for setting up such dairy units, if so, the details thereof;
- (e) whether some Banks do not show interest in giving small loans under the said scheme, if so, the details thereof and the action to be taken against the Banks which refuse loans for such activity; and
- (f) whether the Government proposes to provide interest free bank loans for fulfilling needs of animal husbandry sector and if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance
(Shri Shiv Pratap Shukla)

- (a) Yes, Madam. Banks provide loans for setting up small dairy units in the country.
- (b) Bank/ State wise details of loan (outstanding) by Scheduled Commercial Banks (SCBs) for dairying during the last three years, as reported by Reserve Bank of India (RBI), are furnished in Annexure I and Annexure II.
- (c) to (f) As per extant RBI guidelines on Priority Sector Lending, a target of 18 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, has been prescribed to Agriculture and Allied activities including dairy.
Banks extend loan amount to dairy units based on the financial viability of the project as well as their Board approved norms and policies.

The Department of Animal Husbandry, Dairying & Fisheries, Government of India is implementing Dairy Entrepreneurship Development Scheme (DEDS) through NABARD under which financial assistance in the form of back ended capital subsidy @ 25% of the project cost for general category and @33.33% for SC/ST farmers is provided for setting up of small dairy units in the country. Upto 30.11.2017, under

DEDS altogether 2,93,379 dairy units have been set up which includes small dairy units with a total subsidy assistance of ₹.1173.06 crore.

