

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE, COOPERATION & FARMERS WELFARE

**LOK SABHA**  
**STARRED QUESTION NO. 502**  
TO BE ANSWERED ON THE 3<sup>RD</sup> APRIL, 2018

**IMPORT LIBERALIZATION**

\*502. ADV. JOICE GEORGE:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण  
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be pleased to state:

- (a) whether unbearable burden of debt and increased competition from imports are symptomatic of a crisis in Indian agriculture;
- (b) if so, the details thereof;
- (c) whether inability to bear debt has led to farmers' suicides on an unprecedented scale and if so, the details thereof;
- (d) whether import liberalization has had a strong dampening effect on the prices of several crops, especially plantation crops; and
- (e) if so, the details thereof?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण ½â"ãè

(SHRI RADHA MOHAN SINGH)

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

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 502 DUE FOR REPLY ON 3<sup>RD</sup> APRIL, 2018.**

(a) to (e): The National Sample Survey Office (NSSO) conducted Situation Assessment Survey (SAS) of Agricultural Households during NSS 70<sup>th</sup> round (January, 2013- December 2013) in the rural areas of the country for reference period of the agricultural year July 2012- June 2013 which reveals the following:-

About 52 percent of the agricultural households in the country were estimated to be indebted. At all India level, about 60 percent of the outstanding loans were taken from institutional sources which included Government (2.1 percent), Co-operative society (14.8 percent) and Banks (42.9 percent). Among the non institutional sources, agricultural/ professional money lenders (25.8 percent), shopkeepers/traders (2.9 percent), employer/landlord (0.8 percent), relatives & friends (9.1 percent) and others (1.6 percent) accounted for outstanding loans. The average amount of outstanding loan per agricultural household was Rs.47000/- (approx.).

Government has taken several measures to increase institutional credit flow and bringing more and more farmers including small and marginal farmers within the fold of institutional credit. These measures inter alia, include the following major steps to provide hassle free crop loan to farmers including small and marginal farmers:-

**Interest Subvention Scheme:**

Under the Interest Subvention Scheme, the Government is providing short-term crop loans upto Rs.3 lakh for a period of one year to farmers at a subvented interest rate of 4% per annum in case of prompt repayment of the loan against the normal lending rate of 9%. Thus on prompt repayment the farmers get Interest Subvention of 5% per annum.

Further, in order to discourage distress sale of crops by farmers, the benefit of interest subvention has been made available to small and marginal farmers having Kisan Credit Card for a further period of up to six months (post- harvest) at the same rate as available to crop loan against negotiable warehouse receipts to store their post harvest produce in warehouses accredited by Warehousing Development Regulatory Authority (WDRA).

### **Specific target for Small and Marginal Farmers**

As per RBI directions, Domestic Scheduled Commercial Banks are required to lend 18% of the Adjusted Net Bank Credit (ANBC) or Credit Equivalent to Off-Balance Sheet Exposure (CEOBE), whichever is higher, towards agriculture. A sub-target of 8% is also prescribed for lending to small and marginal farmers including landless agricultural labourers, tenant farmers, oral lessees and share croppers. Similarly, in the case of Regional Rural Banks 18% of their total outstanding advance is required to be towards agriculture and a sub-target of 8% has been set for lending to small and marginal farmers.

### **Kisan Credit Card (KCC) Scheme**

Kisan Credit Card Scheme is aimed at providing adequate and timely credit support from the banking system under a single window to farmers for their cultivation and other needs. In terms of master circular dated July 03, 2017 of Reserve Bank of India, tenant farmers, oral lessees or share croppers are also covered under the KCC Scheme. Under the Scheme, a flexible limit of Rs. 10,000 to Rs. 50,000 has been provided to marginal farmers (as Flexi KCC) based on the land holding and crops grown including post harvest warehouse storage related credit needs and other farm expenses, consumption needs, etc., plus small term loan investments without relating it to the value of land.

In terms of the extant guidelines to banks, margin/ collateral for agricultural loans up to Rs.1 lakh is not required.

### **Guidelines for Financing of Joint Liability Groups (JLGs) of 'Bhoomi Heen Kisan'**

In terms of Union Budget 2014-15 it had been declared that 5 lakh Joint Liability Groups (JLG) of 'Bhoomi Heen Kisan' will be financed through NABARD. RBI has issued guidelines to all scheduled commercial banks in this regard vide circular FIDD. CO.FSD.BC.42/05.02.02/2014-15 dated November 13, 2014. One of the main objectives of financing through JLGs is to augment flow of credit to landless farmers cultivating land as tenant farmers, oral lessees or share croppers and small / marginal farmers as well as other poor individuals taking up farm activities, off-farm activities and non-farm activities. As on 31<sup>st</sup> March, 2017, cumulatively 24.53 lakh Joint Liability Groups (JLGs) have been provided Rs.26,848.13 crore loan by banks across the country.

### **Agriculture Ground Level Credit flow for Small and Marginal Farmers**

The share of Small and Marginal Farmers (SMFs) accounts in total number financed by all agencies grew from 60.07 per cent in 2015-16 to 72.06 per cent in 2016-17. More importantly, in terms of amount disbursed, the share of SMFs grew from 41.51 per cent (in 2015-16) to 50.14 per cent (in 2016-17). In actual terms, the agri credit disbursement towards SMFs grew from Rs. 3.80 lakh crore in 2015-16 to Rs. 5.34 lakh crore in 2016-17, while the number of SMF accounts grew from 5.40 crore to 7.71 crore during this period.

The National Crime Records Bureau (NCRB) under the Ministry of Home Affairs compiles and disseminates information on suicides, in its publication titled 'Accidental Deaths and Suicides in India' (ADSI). These Reports on suicides are available upto

2015 on its website. The Reports for the year 2016 onwards have not been published yet. As per the ADSI Reports for the years 2014, 2015 and provisional data as provided by NCRB for the year 2016, the total number of suicides by farmers and agricultural labourers in the country are 12360, 12602 and 11370 respectively. As per the Reports for the year 2015 the total number of suicides committed by farmers and agricultural labourers due to 'bankruptcy or indebtedness' in the country is as under:

	Total number of Farmers suicide	Bankruptcy or indebtedness	% share of suicides
2015	8007	3097	38.7

	Total number of Agricultural labourers suicide	Bankruptcy or indebtedness	% share of suicides
2015	4595	255	5.5

The domestic prices of crops are influenced by several factors including domestic demand and supply situation, role of weather, global availability and price trends etc. India has one of the highest average agriculture import tariff at 33.5% compared to other countries in the world, to protect the farmers/ cultivations/ domestic industry against any cheap and abnormal import. Government takes appropriate measures as and when it seems necessary to check abnormal and cheap import to protect domestic industry. It is mentioned that India has trade surplus in agriculture trade over the last many years. India's total agricultural allied sector exports and imports for the last three years are as follows :

(value in crore)

Year	Export	Import
2014-15	239471.4	121238.4
2015-16	215395.7	140310.7
2017-18	227554.0	164680.6

India being a signatory to the WTO, it is duty bound to open up its markets to different products including agricultural products. However, necessary safeguards in the shape of flexibility of imposing duties as well as taking measures to apply safeguard duty in case of injury to domestic industry or anti-dumping or countervailing duty etc. is available in case the situation so arises and the condition for imposing these measures are fulfilled.

Wherever the Government feels that imports can influence a downward trend in prices of plantation crops, short term measure in the shape of minimum import price or duty increase has been tried. Recently, minimum import price in case of areca nut and black pepper have been notified to protect the interests of the farmers.

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