

Government of India  
Ministry of Finance  
Department of Financial Services

LOK SABHA  
Unstarred Question No. †2510  
To be answered on Friday, March 09, 2018/Phalguna 18, 1939 (Saka)

**Institutional Credit to Farmers**

†2510. SHRI NIHAL CHAND: SHRI R. GOPALAKRISHNAN:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken any steps to increase the number of small and marginal farmers under the institutional credit fold;

(b) if so, the details thereof and the number of farmers targeted to be included into such institutional credit fold, State/ UT-wise;

(c) the other steps taken/being taken by the Government to protect the interests of the farmers and for extending monetary support to them;

(d) whether the Government proposes to give extra time to the farmers for repayment of their loan and if so, the details thereof; and

(e) the financial assistance provided/ being provided to each State/UTs for this purpose during the last three years and the current year?

**Answer**

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

(a) to (c): The Government of India/ Reserve Bank of India (RBI)/ National Bank for Agriculture and Rural Development (NABARD) have, inter alia, taken the following major initiatives for providing hassle free crop loans to farmers including Small Farmer Marginal Farmer (SF/MF) :-

- 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 advances is required to be towards agriculture and a sub-target of 8% has been set for lending to small and marginal farmers.

- With a view to ensuring availability of agriculture credit at a reduced interest rate of 7% p.a. to the farmers, the Government of India in the Department of Agriculture, Cooperation and Farmers' Welfare implements an interest subvention scheme for short term crop loans up to Rs. 3.00 lakh. The scheme provides interest subvention of 2% per annum to Banks on use of their own resources. Besides, additional 3% incentive is given to the farmers for prompt repayment of the loan, thereby reducing the effective rate of interest to 4%.

- The Government has introduced the Kisan Credit Card (KCC) Scheme, which enables farmers to purchase agricultural inputs such as seeds, fertilisers, pesticides, etc. and draw cash to satisfy their agricultural and consumption needs. The KCC Scheme has since been simplified and converted into ATM enabled RuPay debit card with, inter alia, facilities of one-time documentation, built-in cost escalation in the limit, any number of drawals within the limit, etc.
- Under the Kisan Credit Card (KCC) 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.
- RBI has conveyed to Banks to waive margin/security requirements of agricultural loans upto Rs.1,00,000/-. Banks were advised by the RBI to dispense with the requirement of 'No Due Certificate' for small loans up to Rs.50,000/- to small and marginal farmers, share-croppers and the like and, instead, obtain self-declaration from the borrower.
- To bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit, Joint Liability Groups (JLGs) have been promoted by banks. The State-wise details of number of accounts and agriculture credit disbursed to SF/MF during 2016-17 as reported by NABARD is given in Annexure.

(d) and (e): RBI has issued directions for Relief Measures to be provided by respective lending institutions in areas affected by natural calamities which, inter alia, include, restructuring/rescheduling of existing crop loans and term loans, extending fresh loans, relaxed security and margin norms, moratorium, etc. The benchmark for initiating relief measures by banks has also been reduced to 33% crop loss in line with the National Disaster Management Framework.

Post demonetisation, the Government has taken the following measures to relieve the debt burden of farmers.

- i. The Government decided that an additional grace period of 60 days for prompt repayment incentive @ 3% will be provided to such of the farmers whose crop loans dues fell due between 01/11/2016 to 31/12/2016 and if such farmers repaid the same within 60 days from their due date in this period.
- ii. The Government also decided to grant interest waiver for two months (November and December, 2016) for all short term crop loan availed from Cooperative Banks between 01.04.2016 to 30.09.2016 and upfront deposit of the same in the accounts of the concerned farmers.
- iii. NABARD raised market borrowing for short term borrowings at prevailing market rate of interest for Rs. 17,880.78 crore and disbursed the same borrowing under refinance for on-lending to Cooperative Banks at 4.5% rate of interest during 2016-17.

**Agri Credit Disbursement SF/MF during 2016-17**

No. of A/cs in absolute and Amt. in Rs. Lakh

		No. of A/cs	Amt.
1	DELHI	17,854	1,63,676.68
2	HARYANA	19,71,262	22,58,026.59
3	HIMACHAL PRADESH	5,04,231	4,82,217.71
4	JAMMU & KASHMIR	6,03,822	4,76,917.77
5	PUNJAB	19,07,040	33,29,068.38
6	RAJASTHAN	35,08,042	33,86,571.50
7	CHANDIGARH UT	3,328	20,075.04
	<b>Northern Region Total</b>	<b>85,15,579</b>	<b>101,16,553.66</b>
8	ARUNACHAL PRADESH	3,934	2,522.33
9	ASSAM	7,45,989	3,24,039.40
10	MANIPUR	21,936	16,159.41
11	MEGHALAYA	38,459	15,122.61
12	MIZORAM	12,274	9,151.96
13	NAGALAND	22,977	8,683.18
14	SIKKIM	5,403	4,753.60
15	TRIPURA	2,23,185	97,411.57
	<b>North Eastern Region Total</b>	<b>10,74,158</b>	<b>4,77,844.07</b>
16	A & N ISLAND	6,131	5,627.93
17	BIHAR	34,67,763	18,58,846.67
18	JHARKHAND	9,32,044	77,091.00
19	ODISHA	41,83,240	14,52,331.23
20	WEST BENGAL	41,93,618	19,50,873.51
	<b>Eastern Region Total</b>	<b>127,82,796</b>	<b>53,44,770.33</b>
21	CHHATTISGARH	11,55,245	4,47,644.16
22	MADHYA PRADESH	39,88,465	23,25,089.73
23	UTTARAKHAND	4,02,940	2,99,197.03
24	UTTAR PRADESH	77,59,962	46,01,145.60
	<b>Central Region Total</b>	<b>133,06,612</b>	<b>76,73,076.52</b>
25	GOA	34,241	35,228.15
26	GUJARAT	22,82,610	20,48,693.05
27	MAHARASHTRA	56,28,594	35,38,908.06
28	D & N HAVELI UT	2,943	2,891.26
29	DAMAN & DIU UT	1,429	1,314.98
	<b>Western Region Total</b>	<b>79,49,817</b>	<b>56,27,035.50</b>
30	ANDHRA PRADESH	87,72,139	56,39,628.94
31	TELANGANA	46,13,547	29,44,415.51
32	KARNATAKA	46,96,164	37,80,919.69
33	KERALA	46,31,509	38,31,825.82
34	PUDUCHERRY	3,64,546	2,93,096.71
35	TAMILNADU	104,47,597	75,39,269.84
36	LAKSHADWEEP UT	351	245.70
	<b>Southern Region Total</b>	<b>335,25,852</b>	<b>240,29,402.22</b>
	<b>GRAND TOTAL</b>	<b>771,54,815</b>	<b>534,35,143.47</b>

Source: NABARD