

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

LOK SABHA
UNSTARRED QUESTION NO. 136
TO BE ANSWERED ON THE 11TH DECEMBER, 2018

REPORT ON FARM LOAN WAIVER

136. SHRIMATI BHAVANA PUNDALIKRAO GAWALI PATIL:

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

- (a) whether the Government has prepared any report regarding farmers loan waiver;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor along with the modalities of farm loan waiver schemes;
- (d) the number of farmers who have committed suicide because of loans especially in Maharashtra;
- (e) the details thereof from the year 2001 till date;
- (f) the steps taken for taking care of the families of these farmers and for loan waiver; and
- (g) the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI PARSHOTTAM RUPALA)

(a): No, Madam.

(b): Does not arise.

(c): The Union Government at present is not considering any loan waiver Scheme for farmers. Such waivers may impact the credit culture of a State by incentivising the defaulters even if they are in a position to repay the loan and thus create/amplify the moral hazard by discouraging those borrowers who have been regular in repaying their loans. Further, each waiver granted makes it even more difficult to reject any future similar demand.

(d) to (g): 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. This data is available year-wise & State-wise. The Reports for the year 2016 onwards have not been published yet.

Contd...2/-

As per Report of 2015, 'Bankruptcy or Indebtedness' and 'Farming Related Issues' are reported as major causes of suicides among farmers/cultivators. Other prominent causes of farmers/cultivators suicides are family problems, illness, etc. As per the ADSI Reports for the year 2015 and provisional data as provided by NCRB for the year 2016, the details of number of suicides committed under Sub Head Self Employed (Farming/Agriculture) in Maharashtra from 2001 onwards is at **Annexure**.

To reduce the debt burden of farmers and to increase availability of institutional credit to farmers, following major initiatives have been taken by the Union Government:

- With a view to ensuring availability of agriculture credit at a reduced interest rate to farmers, the Government is implementing the Interest Subvention Scheme (ISS) since 2006-07. Under ISS, the Government is providing interest subvention to make available short-term crop loans upto Rs.3 lakh for a period of one year at an effective interest rate of 4% per annum against the normal lending rate of 9% to prompt payee farmers. Thus, the prompt payee farmers are getting an interest subvention of 5% per annum. The scheme is continued in 2018-19. Besides, some State Governments in fact also provide additional interest subvention, reducing the effective interest burden on short term crop loans to zero.
- Government sets annual target for the flow of credit to the agriculture sector. Banks have been consistently surpassing the annual target. The current year's agriculture credit flow target has been set at Rs.11 lakh crore.
- Reserve Bank of India (RBI) has issued Priority Sector Lending Guidelines (PSL), which mandate all Domestic Scheduled Commercial Banks to earmark 18% of their Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposure (OBE), whichever is higher, as on the corresponding date of the previous year, for lending to Agriculture.
- As per PSL guidelines loans to distressed farmers to repay non-institutional lenders are eligible under priority sector. Besides loans to stressed persons (other than farmers) not exceeding Rs.1,00,000/- per borrower to repay their debt to non-institutional lender are also eligible for the purpose of priority sector lending by banks.
- In order to ensure that all eligible farmers are provided with hassle-free and timely credit for their agricultural operations, the Government has introduced the Kisan Credit Card (KCC) Scheme, which enables them to draw cash to purchase agricultural inputs such as seeds, fertilizers, pesticides as well as meet other agricultural and consumption needs. The KCC Scheme has since been simplified by providing the farmers with ATM enabled debit card based on one-time documentation and built-in cost escalation in the limit, etc.
- 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 Government also promotes formation of Farmer Producer Organisations (FPOs) in a big way to enable farmers to leverage economies of scale, not only for agricultural inputs but also for enhanced marketing opportunities.
- Banks have been advised by RBI to waive margin/security requirements of agricultural loans upto Rs.1,00,000/-, vide RBI's circular dated 18th June, 2010.
- 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. These directions have been so designed that the moment calamity is declared by the concerned District Authorities they are automatically set in motion without any intervention, thus saving precious time. The benchmark for initiating relief measures by banks has also been reduced to 33% crop loss in line with the National Disaster Management Framework.

ANNEXURE

Statement in respect of Part (d) to (g) of Lok Sabha Unstarred Question No. 136 regarding Report on Farm Loan Waiver due for answer on 11.12.2018 by Shrimati Bhavana Pundalik Rao Gawali Patil.

Number of Suicides under Subhead Self Employed (Farming/Agriculture) in Maharashtra

Year	Number of Suicides (Farming/Agriculture)
2001	3536
2002	3695
2003	3836
2004	4147
2005	3926
2006	4453
2007	4238
2008	3802
2009	2872
2010	3141
2011	3337
2012	3786
2013	3146
2014	4004
2015	4291
2016(provisional)	3661

(Source: Report on 'Accidental Deaths and Suicide in India' for relevant years National Crime Record Bureau, Ministry of Home Affairs)
