

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

LOK SABHA
UNSTARRED QUESTION NO. 99
TO BE ANSWERED ON THE 11TH DECEMBER, 2018

LOAN WAIVER SCHEME FOR FARMERS

99. SHRI KRUPAL BALAJI TUMANE:

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

- (a) the details of the existing loan waiver scheme for farmers of Maharashtra at present;
- (b) the amount released by the Union Government under loan waiver scheme for farmers of Maharashtra along with the details thereof;
- (c) whether the State Government of Maharashtra has sent any proposal regarding any such assistance;
- (d) if so, the reaction of the Union Government in this regard;
- (e) whether cases of suicide by the farmers of Maharashtra have come to the notice of the Union Government; and
- (f) if so, the efforts being made by the Government to check it?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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

(a): Post Agriculture Debt Waiver and Debt Relief Scheme, 2008 no other debt waiver scheme is under consideration of Union Government. However, the Government of Maharashtra had announced Debt Waiver Scheme for farmers - Chhatrapati Shivaji Maharaj Shetkari Sanman Yojna - and issued a Government Resolution dated 28 June 2017.

The scheme had three components viz. (i) Debt waiver upto Rs. 1.5 lakh, (ii) One time settlement for overdues above Rs. 1.5 lakhs wherein the farmers had to repay amount above Rs. 1.5 lakh first and (iii) Incentive for those farmers who had repaid their loans subject to a maximum of Rs. 25,000/-.

The salient features of the debt waiver scheme of Maharashtra are given below:-

- The scheme initially covered farmers, who had taken Crop Loan and Medium Term loan on or after 01.04.2012. Subsequently, vide various amendments, farmers whose loan has been due from the year 2001 and who were not covered under the loan waiver schemes of 2008 and 2009 and whose loans were overdue as on 31st July 2017, were also covered under the scheme.

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- The monetary ceiling for debt waiver was Rs.1.5 Lakh (principal + interest). The entire overdue loan was to be waived. The farmers whose overdue loan was more than Rs.1.5 lakh, were given the option of one time settlement, however, such farmers were required to repay first the loan amount over and above Rs.1.5 lakh to get the benefit of Rs.1.5 lakh from the State Government.
- The State Government had also announced incentive for regular borrowers. Farmers who had repaid their crop loan availed during 2015-16 before 30.06.2016 and those who repay Crop loan availed during 2016-17 by 31.07.2017 were eligible to get the incentive. The incentive was 25% of repaid loan amount or Rs.25000, whichever is less. The minimum incentive amount is Rs.15000/.
- Farmers whose loans were restructured during the period 2012-13 to 2015-16 and the loan was overdue as on 30.06.2016 were to get benefit of the above scheme. Those farmers who don't have overdue loan will get benefit of Rs.25000.

(b) to (d): No proposal from the State Government of Maharashtra seeking financial assistance on account of its loan waiver scheme has been received by the Department of Expenditure, Ministry of Finance.

(e): Yes, Madam. 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 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.

(f): With regard to debt relief to the families of the farmers who committed suicide due to debt, if any, extended by various State Governments is centrally not available. However, 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. The Scheme is continued in 2018-19. Under ISS, short-term crop loans upto Rs.3 lakh per annum is provided to farmers at subvented interest rate of 7% against the normal lending rate of 9% p.a. which in case of prompt repayment by the farmers, gets reduced to 4%. Thus, the prompt payee farmers are getting benefit of 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.

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- 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 is implementing the Kisan Credit Card (KCC) Scheme, which enables them to draw cash to purchase agricultural inputs such as seeds, fertilisers, 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.
