

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

**LOK SABHA**  
**UNSTARRED QUESTION NO.315**  
TO BE ANSWERED ON THE 5<sup>TH</sup> FEBRUARY, 2019

**SUPPORT FOR DISTRESSED FARMERS**

315. DR. KAMBHAMPATI HARIBABU:

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

- (a) whether it is a fact that the Government is considering income support for distressed farmers, if so, the details thereof; and
- (b) whether the Government is considering to extend farm loan waiver to the distressed farmers, if not, the alternative measures being considered to be taken to overcome their difficulty?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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

(a): Yes, Madam. The Government with a view to augment the income of Small and Marginal Farmers, in the Union Budget 2019 has announced "Pradhan Mantri Kisan SAMman Nidhi (PM-KiSaN)" a new Central Sector Scheme will be 100% funded by the Government of India.

Under the Scheme, financial benefit of Rs. 6000/- per year will be provided to all Small and Marginal Farmer families having cultivable land holding upto 2 hectare. This financial benefit will be provided in 3 equal installments of Rs. 2000/- each in a period of every four months in a financial year. The benefit shall be admissible under the scheme w.e.f. 01.12.2018. The existing land-ownership system in the States/Union Territories will be used for identifications of beneficiaries.

(b): No proposal for farm loan waiver to the distressed farmers is under consideration of Government of India at present. However, Government of India and Reserve Bank of India (RBI) have undertaken a number of steps to provide relief and easy & hassle-free loans to debt ridden farmers, which, *inter alia*, include the following:

- Reserve Bank of India has issued master directions on relief measures to be provided by lending institutions in areas affected by natural calamities including drought which, *inter alia*, include identification of beneficiaries, extending fresh loans and restructuring of existing loans relaxed security and margin norms, moratorium, etc. The benchmark for restructuring of loans

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has been reduced from 50% to 33% crop loss, which is in line with the National Disaster Management Framework. Further, in terms of RBI's Master circular on Asset Classification, banks are free to restructure and extend the repayment period of loans/give stress dispensation scheme to any category of borrowers which have come under stress as per their commercial judgment and Board approved loan policy within the broad prudential guidelines prescribed by RBI. In addition, as per the Priority Sector Lending Guidelines issued by RBI, loans to distressed farmers to repay non-institutional lenders, are eligible under priority sector.

- The Government has introduced the Kisan Credit Card (KCC) Scheme, which enables farmers to purchase agricultural inputs such as seeds, fertilizers, pesticides, etc. and draw cash to satisfy their agricultural and consumption needs. The KCC Scheme has since been simplified. It has the provision of ATM enabled debit card with, *inter alia*, facilities of one-time documentation and built-in cost escalation in the limit, etc.
- RBI vide its notification dated 13<sup>th</sup> November, 2014 have instructed the Banks to finance the Joint Liability Groups (JLGs) to bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit.
- RBI has issued Priority Sector Lending (PSL) guidelines, 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 for Small and Marginal Farmers.

In addition to the above, 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.

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