

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

**LOK SABHA**  
**UNSTARRED QUESTION NO.324**  
TO BE ANSWERED ON THE 5<sup>TH</sup> FEBRUARY, 2019

**AGRICULTURAL LOANS**

324. SHRI N.K. PREMACHANDRAN:

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

- (a) whether the Union Government proposes to write off the agricultural loans, if so, the action taken thereon;
- (b) whether it has come to the notice of the Government that farmers committed suicide due to the attachment and other actions initiated by the banks for the recovery of loan and if so, the action taken thereon;
- (c) whether the Government proposes to declare moratorium on the agricultural loans and if so, the details of the action taken thereon;
- (d) whether it has come to the notice of the Government that the farmers are withdrawing from farming due to heavy loss;
- (e) if so, the action taken to protect farmers and whether the Government proposes to declare support prices for agricultural produce; and
- (f) if so, 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): There is no proposal, at present, under consideration of the Government of India to write-off the agricultural loan of farmers.
- (b): 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). As per Accidental Deaths and Suicide in India (ADSI) Report, the reasons for suicide by farmers are manifold, which *inter-alia* include indebtedness, crop failure, drought, socio-economic and personal reasons. 'Bankruptcy or indebtedness' and 'Farming relating issues' are reported as major causes of suicides among Farmers.
- (c): With a view to enhance production and productivity the Government announces Ground level Agriculture Credit Flow (GLC) Target every year. These targets have consistently been

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surpassed by the Banks. The GLC Target for 2017-18 was 10 lakh crore and against this target the Banks have disbursed an amount of Rs. 11.68 lakhs crore. The GLC Target for 2018-19 has been kept as Rs. 11 lakh crore and till September, 2018 the Banks have disbursed an amount of Rs. 6.45 lakh crore.

Reserve Bank of India (RBI) 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 has been reduced from 50% to 33% crop loss, is in line with the National Disaster Management Framework.

(d) to (f): Government is committed to farmers welfare and towards this objective it has changed its strategy from being production centric to an income centric one. Government constituted an Inter-Ministerial Committee on 13.04.2016 under the Chairmanship of Chief Executive Officer, National Rainfed Area Authority, Department of Agriculture, Cooperation and Farmers Welfare to examine issues relating to doubling of farmers' income and recommend a strategy to achieve the same by the year 2022. Alongside working on a comprehensive strategy, the Committee has been parallelly suggesting various interventions like Model Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017, a five year roadmap for pulses production for achieving a level of production of 24 million tones and comprehensive roadmap for increasing the production of oilseeds in the country.

Government fixes Minimum Support Prices (MSPs) of 22 mandated agricultural crops and Fair & Remunerative Price (FRP) for sugarcane based on the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned & other relevant factors. The mandated crops are 14 crops of Kharif season viz. paddy, jowar, bajra, maize, ragi, arhar, moong, urad, groundnut-in-shell, soyabean, sunflower, sesamum, nigerseed and cotton; 6 rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed/mustard and safflower and two other commercial crops viz. Jute and copra. In addition, MSP for toria and de-husked coconut is also fixed on the basis of MSPs of rapeseed/mustard and copra respectively. While recommending MSPs, CACP considers the cost of production and host of factors such a demand-supply situation, trends in domestic and international prices, inter-crop price parity, terms of trade between agricultural and non-agricultural sectors and the likely impact of MSP on consumers an overall economy along with rational utilization of scare natural resources like land and water.

Government has increased the MSP for all notified Kharif & Rabi Crops and other commercial crops for the season 2018-19 with a return of atleast 50 percent over cost of production. This decision of the Government was a historic one as it redeemed the promise of fixing the MSPs atleast at a level of 50 percent return over cost of production as announced in the Union Budget 2018-19.

Apart from these, the Government implements the Price Support Scheme (PSS) for procurement of pulses, oilseeds and copra and Price Deficiency Payment Scheme (PDPS) implements for oilseeds.

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