

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Starred Question No. *314
Answered on Monday, March 16, 2020/Phalguna 26, 1941 (Saka)
AGRICULTURAL CREDIT

*314. SHRI UPENDRA SINGH RAWAT:
SHRI KAUSHAL KISHORE:

Will the Minister of FINANCE be pleased to state:

(a) the quantum of agricultural credit given by Public Sector Banks during each of the last three years and the current year till date, State/ UT-wise and bank-wise and specially district-wise in Uttar Pradesh;

(b) the details of the percentage of this agricultural credit given in urban areas and rural areas during the said period, State/UT-wise and bank-wise;

(c) whether the agricultural credit given in urban areas is much higher than the credit given in rural areas and if so, the details thereof and the reasons for this huge gap between the agricultural loans given in urban and rural areas when it is more required in rural areas particularly in Uttar Pradesh; and

(d) the efforts being made by the Government to give more agricultural loans in rural areas?

Answer
The Finance Minister
(Smt. Nirmala Sitharaman)

(a) to (d): A statement is laid on the table of the house.

Statement referred in reply to parts (a) to (d) of Lok Sabha Starred Question No. *314 to be answered on 16.03.2020 regarding Agriculture Credit by SHRI UPENDRA SINGH RAWAT and SHRI KAUSHAL KISHORE

(a) to (d): The State-wise and Agency-wise agriculture credit disbursement by Banks for the last three years and current year, as on 31st December 2019, as reported by National Bank for Agriculture and Rural Development (NABARD) is provided at Annexure I-IV to this reply.

The objective of agriculture credit on pan-India basis is to meet their short term credit requirements for cultivation of crops, investment credit requirement for agriculture and allied activities and other needs.

As informed by NABARD, the share of small and marginal farmers, which is primarily rural based, in agriculture credit during the last 3 years is as under:

(Accounts in Lakh and Amount in Rs. Crore)

Year	2016-17	2017-18	2018-19
Total No. of Agri Loan Accounts	1070.68	1,131.90	1,255.35
No. of Accounts of SMFs	771.55	845.46	931.36
% coverage of SMFs in no. of A/cs	72.06	74.69	74.19
Loan disbursed to SMFs	5,34,351	5,80,457.42	6,33,661.43
% coverage of SMFs in loan disbursed.	50.15	49.93	50.42

RBI and NABARD have reported that District wise data for agriculture credit and data on percentage of agriculture credit given to urban areas and rural areas, are not maintained centrally by them. In this regard, NABARD has also informed that since 2004, Service Area Approach has been done away with and now the farmer can avail credit from any of the bank branches. Further, agriculture credit is disbursed on the basis of land holdings of farmers, which is an omnibus concept, without any urban- rural distinction.

The Government/RBI has taken the various initiatives to facilitate hassle free credit to farmers. Some of the major initiatives are as under:

- Government fixes agriculture credit disbursement targets for the banking sector every year and banks have consistently surpassed these targets. Details of target and achievement made in respect of agriculture credit flow during the last three years as reported by NABARD is as under:

(Amount in ` crore)

Year	Target	Achievement
2016-17	9,00,000	10,65,755.67
2017-18	10,00,000	11,62,616.98
2018-19	11,00,000	12,56,829.62

Source: NABARD

- The Master Directions on Priority Sector Lending (PSL) issued by RBI provides that within the overall target of 40% for priority sector, 18% has been earmarked for lending

to agriculture sector. Within the 18% target for agriculture sector, a sub-target of 8% for small and marginal farmers has been fixed to help in increasing the flow of credit to small and marginal farmers.

- Government of India implements an interest subvention scheme under which short term crop loans up to ₹ 3.00 lakh are provided to farmers at a reduced interest rate of 7% p.a. 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 Kisan Credit Card (KCC) scheme was introduced in 1998 for issue of KCC to farmers. The scheme aims at providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedure to the farmers to meet their short term credit requirements for cultivation of crops, investment credit requirement for agriculture and allied activities and other needs.
- The benefits of KCC along with interest subvention have been extended to Animal Husbandry and Fisheries farmers.
- To enhance coverage of small and marginal farmers in the formal credit system, RBI has decided to raise the limit for collateral-free agriculture loans from ₹ 1 lakh to ₹ 1.6 lakh.
- The requirement of 'no dues' certificate has also been dispensed with in respect of small loans up to ₹ 50,000 availed by small and marginal farmers, share-croppers and the like and, instead, only a self-declaration from the borrower is required.
- To bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit, Joint Liability Groups (JLGs) have been promoted by banks.
- NABARD provides short term refinance to Cooperative Banks and Regional Rural Banks (RRBs) through Short Term Cooperative Rural Credit (Refinance) Fund (STCRC Fund) and Short Term Regional Rural Banks (STRRB) Fund respectively, at concessional rate of interest.
- Further, to encourage long term investment credit in agriculture, NABARD provides refinance support to Cooperative Banks and RRBs through Long Term Rural Credit Fund (LTRCF) at a concessional rate of interest for their lending towards investment activities in agriculture.

Annexure I as referred to in reply of Lok Sabha Starred Question No. *314 for 16.03.2020
Agriculture Credit Disbursement Data for the period 2016-17

(Rs. Crore)

S.No.	State/UT	Cooperative Banks	Regional Rural Banks	Commercial Banks	All Agency
1	DELHI	7.17	-	19934.48	19941.65
2	HARYANA	9746.98	5535.39	34198.70	49481.07
3	HIMACHAL PRADESH	1427.24	522.64	4166.26	6116.15
4	JAMMU & KASHMIR	9.55	336.68	6950.51	7296.74
5	PUNJAB	13557.02	5967.04	54777.41	74301.47
6	RAJASTHAN	14130.31	12869.02	47304.53	74303.86
7	CHANDIGARH UT	-	-	1405.95	1405.95
8	ARUNACHAL PRADESH	48.23	3.40	80.95	132.59
9	ASSAM	13.89	420.91	5667.28	6102.07
10	MANIPUR	4.67	15.65	230.80	251.12
11	MEGHALAYA	32.92	42.63	292.77	368.31
12	MIZORAM	14.51	59.38	40.47	114.36
13	NAGALAND	34.99	0.37	94.04	129.39
14	SIKKIM	14.16	-	147.54	161.70
15	TRIPURA	74.39	419.34	1019.39	1513.13
16	A & N ISLAND	38.22	-	96.77	134.98
17	BIHAR	342.15	14256.24	11586.19	26184.58
18	JHARKHAND	3.23	1481.01	2895.75	4379.99
19	ODISHA	10318.44	1394.28	9552.25	21264.96
20	WEST BENGAL	3474.18	1586.80	29834.75	34895.72
21	CHHATTISGARH	3318.46	476.65	8442.31	12237.42
22	MADHYA PRADESH	11877.86	5330.64	38940.57	56149.06
23	UTTARAKHAND	562.36	238.89	5704.19	6505.43
24	UTTAR PRADESH	6466.31	21915.22	53202.49	81584.01
25	GOA	37.51	-	973.76	1011.28
26	GUJARAT	12911.24	3591.17	37774.30	54276.70
27	MAHARASHTRA	17115.70	2113.29	62154.85	81383.84
28	D & N HAVELI UT	1.58	-	78.59	80.17
29	DAMAN & DIU UT	-	-	34.58	34.58
30	ANDHRA PRADESH	9620.34	12358.92	70889.36	92868.62
31	TELANGANA	5933.81	6692.55	55258.99	67885.35
32	KARNATAKA	11916.71	8764.41	57401.60	78082.72
33	KERALA	4290.47	9161.74	54286.56	67738.76
34	PUDUCHERRY	3.07	429.78	4857.24	5290.08
35	TAMILNADU	5410.65	7232.17	119501.74	132144.57
36	LAKSHADWEEP UT	-	-	3.27	3.27
	GRAND TOTAL	142758.30	123216.19	799781.18	1065755.67

Source: NABARD

Annexure II as referred to in reply of Lok Sabha Starred Question No. *314 for 16.03.2020
Agriculture Credit Disbursement Data for the period 2017-18

(Rs. Crore)

S.N o.	State/UT	Cooperative Banks	Regional Rural Banks	Commercial Banks	All Agency
1	DELHI	4.98	-	19522.82	19527.80
2	HARYANA	10074.81	7373.97	37932.70	55381.47
3	HIMACHAL PRADESH	9208.85	725.90	4403.65	14338.40
4	JAMMU & KASHMIR	14.14	379.06	10910.68	11303.88
5	PUNJAB	9484.92	6587.00	57096.95	73168.87
6	RAJASTHAN	14725.79	13709.61	52478.20	80913.60
7	CHANDIGARH UT	-	-	2357.20	2357.20
8	ARUNACHAL PRADESH	20.65	15.81	45.29	81.74
9	ASSAM	18.95	659.01	6077.34	6755.30
10	MANIPUR	18.78	21.59	214.21	254.59
11	MEGHALAYA	34.39	62.89	253.45	350.74
12	MIZORAM	12.94	115.52	46.48	174.94
13	NAGALAND	87.88	1.23	115.91	205.02
14	SIKKIM	3.58	-	121.39	124.97
15	TRIPURA	273.48	514.49	1537.76	2325.73
16	A & N ISLAND	27.60	-	92.63	120.24
17	BIHAR	2548.00	14879.22	11785.71	29212.94
18	JHARKHAND	3.23	520.69	3254.88	3778.80
19	ODISHA	11124.78	1380.35	10265.92	22771.06
20	WEST BENGAL	3991.57	2961.48	33914.80	40867.85
21	CHHATTISGARH	4397.00	480.56	10256.85	15134.41
22	MADHYA PRADESH	12787.50	5149.99	42099.44	60036.94
23	UTTARAKHAND	1260.44	253.72	6362.32	7876.49
24	UTTAR PRADESH	3932.82	27157.55	52957.73	84048.09
25	GOA	34.23	-	1203.92	1238.15
26	GUJARAT	13759.68	4040.01	44758.21	62557.90
27	MAHARASHTRA	11885.37	1011.50	59581.88	72478.76
28	D & N HAVELI UT	-	-	65.84	65.84
29	DAMAN & DIU UT	-	-	33.26	33.26
30	ANDHRA PRADESH	11085.57	15196.98	86072.80	112355.35
31	TELANGANA	5657.51	7526.40	45647.47	58831.37
32	KARNATAKA	11619.13	9880.95	57643.64	79143.72
33	KERALA	4772.00	11274.98	68129.36	84176.33
34	PUDUCHERRY	2.17	502.65	2101.49	2606.32
35	TAMILNADU	7448.38	8833.21	141732.30	158013.89
36	LAKSHADWEEP UT	-	-	5.06	5.06
	GRAND TOTAL	150321.14	141216.31	871079.53	1162616.98

Source: NABARD

Annexure III as referred to in reply of Lok Sabha Starred Question No. *314 for 16.03.2020
Agriculture Credit Disbursement Data for the period 2018-19

(Rs. Crore)

S.N o.	State/UT	Cooperative Banks	Regional Rural Banks	Commercial Banks	All agency
1	DELHI	3.80	-	24326.92	24330.72
2	HARYANA	10490.89	8279.93	44578.32	63349.14
3	HIMACHAL PRADESH	1650.91	892.12	4326.81	6869.84
4	JAMMU & KASHMIR	25.88	491.90	12600.05	13117.83
5	PUNJAB	9551.50	6472.33	61432.62	77456.45
6	RAJASTHAN	12905.93	14302.08	55872.93	83080.94
7	CHANDIGARH UT	-	-	1992.45	1992.45
8	ARUNACHAL PRADESH	4.79	5.43	45.60	55.82
9	ASSAM	21.12	245.57	6979.49	7246.18
10	MANIPUR	40.74	23.31	184.37	248.42
11	MEGHALAYA	21.28	79.42	98.54	199.23
12	MIZORAM	14.55	99.67	248.56	362.77
13	NAGALAND	40.32	0.89	168.02	209.23
14	SIKKIM	4.76	-	155.17	159.93
15	TRIPURA	236.63	705.39	1748.85	2690.87
16	A & N ISLAND	13.32	-	116.64	129.96
17	BIHAR	2799.86	16603.89	16423.94	35827.69
18	JHARKHAND	6.72	522.58	3562.36	4091.66
19	ODISHA	12971.61	1655.97	12788.44	27416.02
20	WEST BENGAL	4480.74	4445.44	37400.19	46326.37
21	CHHATTISGARH	3700.79	261.85	6428.30	10390.94
22	MADHYA PRADESH	12488.23	5041.09	43945.01	61474.33
23	UTTARAKHAND	1289.25	1343.69	7702.87	10335.82
24	UTTAR PRADESH	5314.92	25859.75	57885.69	89060.36
25	GOA	33.02	-	1286.58	1319.61
26	GUJARAT	13664.67	4720.02	47726.49	66111.17
27	MAHARASHTRA	12927.99	1946.46	68695.08	83569.54
28	D & N HAVELI UT	-	-	70.65	70.65
29	DAMAN & DIU UT	-	-	43.86	43.86
30	ANDHRA PRADESH	11571.66	18136.61	93073.33	122781.60
31	TELANGANA	5608.30	6350.28	45584.60	57543.18
32	KARNATAKA	11350.52	7147.15	54921.05	73418.71
33	KERALA	4520.37	12670.60	75265.78	92456.74
34	PUDUCHERRY	7.95	617.04	2241.47	2866.46
35	TAMILNADU	14577.20	10746.43	164898.59	190222.22
36	LAKSHADWEEP UT	-	-	2.92	2.92
	GRAND TOTAL	152340.20	149666.90	954822.52	1256829.62

Source: NABARD

Annexure IV as referred to in reply of Lok Sabha Starred Question No. *314 for 16.03.2020
Agriculture Credit Disbursement Data for the period 2019-20 (Provisional) (AS ON 31-12-2019)

(Rs. Crore)

S.N o.	State/UT	Cooperative Banks	Regional Rural Banks	Commercial Banks	All agency
1	DELHI	2.13	-	16406.46	16408.59
2	HARYANA	8204.35	6205.91	34511.45	48921.71
3	HIMACHAL PRADESH	1329.36	756.86	3663.11	5749.33
4	JAMMU & KASHMIR	9.42	340.24	8936.95	9286.61
5	PUNJAB	7808.97	5915.72	49725.31	63450.00
6	RAJASTHAN	7438.81	12174.08	51226.95	70839.84
7	CHANDIGARH UT	-	-	992.41	992.41
8	ARUNACHAL PRADESH	2.22	1.65	41.29	45.15
9	ASSAM	18.60	283.25	5256.72	5558.57
10	MANIPUR	32.67	10.72	170.77	214.16
11	MEGHALAYA	22.52	37.80	74.93	135.25
12	MIZORAM	10.45	83.74	24.52	118.71
13	NAGALAND	30.81	1.20	100.99	133.00
14	SIKKIM	5.19	-	129.21	134.40
15	TRIPURA	215.94	529.85	1174.07	1919.86
16	A & N ISLAND	6.20	-	99.19	105.39
17	BIHAR	1289.65	11559.83	13814.17	26663.65
18	JHARKHAND	4.61	375.84	3666.83	4047.28
19	ODISHA	7570.23	1353.65	10755.36	19679.24
20	WEST BENGAL	3803.90	3739.70	31358.45	38902.05
21	CHHATTISGARH	4088.74	292.78	6992.93	11374.46
22	MADHYA PRADESH	10042.30	3631.79	34355.72	48029.82
23	UTTARAKHAND	1114.31	191.03	6426.26	7731.60
24	UTTAR PRADESH	5495.70	19967.68	51885.12	77348.50
25	GOA	28.74	-	735.76	764.50
26	GUJARAT	13411.25	4818.94	40227.36	58457.55
27	MAHARASHTRA	9755.06	1433.70	51668.91	62857.67
28	D & N HAVELI UT	-	-	72.70	72.70
29	DAMAN & DIU UT	-	-	13.63	13.63
30	ANDHRA PRADESH	7392.52	17391.88	81518.88	106303.27
31	TELANGANA	3329.84	6232.99	37291.43	46854.27
32	KARNATAKA	9388.92	7307.99	44764.04	61460.95
33	KERALA	2706.25	10122.85	59979.88	72808.98
34	PUDUCHERRY	5.47	520.92	1981.34	2507.72
35	TAMILNADU	9906.70	8689.23	144693.35	163289.28
36	LAKSHADWEEP UT	-	-	3.27	3.27
	GRAND TOTAL	114471.84	123971.80	794739.73	1033183.37

Source: NABARD