

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

LOK SABHA
UNSTARRED QUESTION NO. 269
TO BE ANSWERED ON THE 15TH SEPTEMBER, 2020

PROBLEMS FACED BY FARMERS

269. SHRI KAUSHALENDRA KUMAR:

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

- (a) whether it is a fact that India is a country which is widely famous for its agriculture throughout the world;
- (b) whether it is also a fact that our farmers are facing lot of problems like lack of basic amenities of irrigation systems, short and long term loan facilities, availabilities of high quality seeds and after sale of their produce on MSP;
- (c) whether exploitation of farmers at the hands of moneylenders is a very prominent and common issue that immediately needs to be looked into and if so, the details thereof;
- (d) whether stories of farmers committing suicide appear in the media almost every day; and
- (e) if so, whether the Government has any plan to revive the agriculture sector in the country?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

- (a): Agriculture is the backbone of the Indian economy. 54.6% of the total workforce is engaged in agriculture and allied sector (Census 2011) and it accounts for 16.5% of the country's Gross Value Added (GVA) for the year 2019-20. India is the largest producer of many fruit and vegetables in the world such as mango, potato and lady finger.
- (b): The Government through its various schemes and policies is providing assistance to the farming community such as irrigation facilities through the Pradhan Mantri Krishi Sinchayee Yojana. Loan facilities are provided through the interest subvention scheme and Kisan Credit Card. The availability of institutional credit for agriculture has been raised to Rs. 15 lakh crore for the year 2020-21. As far as requirement and availability of seed is concerned for Kharif -2020, the requirement is 150.52 lakh quintals and the availability is 153.70 lakh quintals. Procurement through MSP has also increased manifold. MSPs for all Kharif & Rabi crops from 2018-19 season are at a level of at least 150 percent of the cost of production. The Government is constantly endeavoring to introduce measures to better the lot of farmers in the country.

Contd...2/-

(c): In order to extend institutional credit to farmers / individuals so as to reduce their dependence on non-institutional sources including moneylenders, a number of steps have been taken by the Government which are at **Annexure-I**.

(d): 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 upto 2019 are available on its website

(e): Agriculture is a State subject. However, Government of India supplements the efforts of States through appropriate policy measures and budgetary support. A 3.4% increase in Gross Value Added of the Agriculture Sector was recorded in the first quarter of 2020-2021 despite the pandemic. A list of various initiatives taken by the Government to revive the agriculture sector are at **Annexure-II**.

- (i) The Priority Sector Lending (PSL) directions of RBI 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 including loans to farmers. Further, a sub-target of 8% for small and marginal farmers has also been fixed.
- (ii) Loans to distressed farmers and to other persons (not exceeding Rs.1,00,000/- per borrower) indebted to non-institutional lenders is an eligible category under PSL, to enable them to repay their debt to non-institutional lenders.
- (iii) In order to ensure that all eligible farmers are provided with hassle-free and timely credit for their agricultural operations, Government has introduced the Kisan Credit Card (KCC) Scheme, which enables farmers to meet the short term credit requirements for cultivation of crops; Post-harvest expenses; Produce marketing loan; Consumption requirements of farmer household; Working capital for maintenance of farm assets and activities allied to agriculture; and Investment credit requirement for agriculture and allied activities. KCC Scheme provides for issue of ATM enabled RuPay debit card with, inter alia, facilities of one-time documentation, built-in cost escalation in the limit, any number of drawals within the limit, etc.
- (iv) Under the KCC Scheme, a flexible limit of Rs.10,000 to Rs.50,000 has been provided to marginal farmers (as Flexi KCC) based on the land holding and crops grown including post-harvest warehouse storage related credit needs and other farm expenses, consumption needs, etc., plus small term loan investments without relating it to the value of land.
- (v) To enhance coverage of small and marginal farmers in the formal credit system, RBI has raised the limit for collateral-free agriculture loans from Rs.1 lakh to Rs.1.6 lakh.
- (vi) The requirement of 'no due' certificate has been dispensed with for small loans up to Rs.50,000 to small and marginal farmers, share-croppers and the like and, instead, only a self-declaration from the borrower is required.
- (vii) To bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit, Joint Liability Groups (JLGs) have been promoted by NABARD.
- (viii) Reserve Bank of India (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 been reduced from 50% to 33% crop loss in line with the National Disaster Management Framework. Banks have been advised not to insist for additional collateral security for restructured loans.
- (ix) Interest Subvention Scheme: With a view to ensuring availability of agriculture credit(including loans taken against KCC) at a reduced rate of interest to farmers, the Government of India had introduced an Interest Subvention Scheme for short term crop loans up to Rs.3.00 lakh. The scheme is implemented through Public Sector Banks, Regional Rural Banks, Cooperatives Banks including PACs and Private Sector Banks. Under the scheme, 2 percent interest subvention is provided to all farmers and an additional 3 percent incentive is given for prompt repayment of loan

reducing the effective cost of loan to 4 percent per annum on timely repayment. The benefit of interest subvention is extended for a period of up to six months (post-harvest) to small and marginal farmers having Kisan Credit Card on loan against negotiable warehouse receipts to prevent distress sale of produce. The benefit of Interest Subvention has also been extended to Animal Husbandry and Fisheries farmers on loans for working capital under KCC upto 2 lakh.

- (x) The Central Government had launched on 24th February, 2019, a new Central Sector Scheme, namely, the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) with a view to provide income support to the farmers' families holding cultivable land (subject to certain exclusions relating to higher income groups) to enable them to take care of expenses related to agriculture and allied activities as well as domestic needs so as to protect them from falling in debt trap for meeting such expenses and ensure their continuance in the farming activities. Under the Scheme, a financial benefit of Rs.6000/- per year is provided, in three 4-monthly installments of Rs.2000/- each, to the farmer families.

List of various interventions and schemes launched for the benefit of farmers.

- (i) With a view to provide income support to all farmers' families across the country, to enable them to take care of expenses related to agriculture and allied activities as well as domestic needs, the Central Government started a new Central Sector Scheme, namely, the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN). The scheme aims to provide a payment of Rs. 6000/- per year, in three 4-monthly installments of Rs. 2000/- to the farmers families, subject to certain exclusions relating to higher income groups.
- (ii) Further with a view to provide social security net for Small and Marginal Farmers (SMF) as they have minimal or no savings to provide for old age and to support them in the event of consequent loss of livelihood, the Government has decided to implement another new Central Sector Scheme i.e. Pradhan Mantri Kisan Maan Dhan Yojana (PM-KMY) for providing old age pension to these farmers. Under this Scheme, a minimum fixed pension of Rs. 3000/- will be provided to the eligible small and marginal farmers, subject to certain exclusion clauses, on attaining the age of 60 years.
- (iii) With a view to provide better insurance coverage to crops for risk mitigation, a crop insurance scheme namely Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched from Kharif 2016 season. This scheme provides insurance cover for all stages of the crop cycle including post-harvest risks in specified instances, with low premium contribution by farmers.
- (iv) Giving a major boost for the farmer's income, the Government has approved the increase in the Minimum Support Price (MSPs) for all Kharif & Rabi crops for 2018-19 season at a level of at least 150 percent of the cost of production.
- (v) Implementation of flagship scheme of distribution of Soil Health Cards to farmers so that the use of fertilizers can be rationalized.
- (vi) "Per drop more crop" initiative under which drip/sprinkler irrigation is being encouraged for optimal utilization of water, reducing cost of inputs and increasing productivity.
- (vii) "Paramparagat Krishi Vikas Yojana (PKVY)" for promoting organic farming.
- (viii) Launch of e-NAM initiative to provide farmers an electronic transparent and competitive online trading platform.
- (ix) Under "Har Medh Par Ped", agro forestry is being promoted for additional income. With the amendment of Indian Forest Act, 1927, Bamboo has been removed from the definition of trees. A restructured National Bamboo Mission has been launched in the year 2018 to promote bamboo plantation on non forest government as well as private land and emphasis on value addition, product development and markets.
- (x) Giving a major boost to the pro-farmer initiatives, the Government has approved a new Umbrella Scheme 'Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PMAASHA)'. The Scheme is aimed at ensuring remunerative prices to the farmers for their produce as announced in the Union Budget for 2018. This is an unprecedented step taken by Govt. of India to protect the farmers' income which is expected to go a long way towards the welfare of farmers.
- (xi) Bee keeping has been promoted under Mission for Integrated Development of Horticulture (MIDH) to increase the productivity of crops through pollination and increase the honey production as an additional source of income of farmers.

(xii) To ensure flow of adequate credit, Government sets annual target for the flow of credit to the agriculture sector, Banks have been consistently surpassing the annual target. The agriculture credit flow target has been set at Rs. 13.50 lakh crore for the F.Y.2019-20 and Rs.15.00 lakh crore for F.Y. 2020-21.

(xiii) Extending the reach of institutional credit to more and more farmers is priority area of the Government and to achieve this goal, the Government provides interest subvention of 2% on short-term crop loans up to Rs.3.00 lakh. Presently, loan is available to farmers at an interest rate of 4% per annum on prompt repayment.

(xiv) Further, under Interest Subvention Scheme 2018-19, in order to provide relief to the farmers on occurrence of natural calamities, the interest subvention of 2% shall continue to be available to banks for the first year on the restructured amount. In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses against negotiable receipts, the benefit of interest subvention will be available to small and marginal farmers having Kisan Credit Card for a further period of upto six months post harvest on the same rate as available to crop loan.

(xv) The Government has extended the facility of Kisan Credit Card (KCC) to the farmers practicing animal husbandry and fisheries related activities. All processing fee, inspection, ledger folio charges and all other services charges have been waived off for fresh renewal of KCC. Collateral free loan limit for short term agri-credit has been raised from Rs.1.00 lakh to Rs.1.60 lakh. KCC will be issued within 14 days from the receipt of completed application.

(xvi) Several market reforms have been rolled out. These include

- a. Model APLMC (Promotion & Facilitation) Act, 2017
- b. Establishment of 22,000 number of Gramin Agriculture Markets (GrAMs) as aggregation platforms
- c. Agri-Export Policy, that targets to double agri-exports by 2022
- d. The Farmers Produce Trade and Commerce (Promotion & Facilitation) Ordinance, 2020
- e. The Farmers (Empowerment & Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020
- f. Amendments to Essential Commodities Act, 1955, that deregulates various agri-commodities
- g. Promotion of 10,000 FPOs by 2024

(xvii) Creation of Corpus Funds

- a. Micro Irrigation Fund – Rs. 5,000 crores
- b. Agri-marketing Fund to strengthen eNAM and GrAMs – Rs. 2,000 crores
- c. Agricultural Infrastructure Fund (AIF) to build agri-logistics (backward & forward linkages) – Rs. 100,000 crores
