

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Unstarred Question No. 1289
Answered on Monday, December 6, 2021/Agrahayana 15, 1943 (Saka)
Agricultural Credit by PSBs

1289. SHRI HEMANT TUKARAM GODSE:

Will the Minister of FINANCE be pleased to state:

- (a) the quantum of agricultural credit given by Public Sector Banks (PSBs) during each of the last three years and the current year till date, State/ UT-wise and bank-wise and specially district-wise in Maharashtra;
- (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 therefor; and
- (d) the efforts being made by the Government to give more agricultural loans in rural areas across the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) to (c): The State-wise agriculture credit disbursement by Commercial Banks for the last three years and current year, as on 30.09.2021, as reported by National Bank for Agriculture and Rural Development (NABARD) is provided at Annexure I 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.

District-wise Public Sector Banks data on agriculture credit disbursement and percentage of agriculture credit given to urban areas and rural areas, are not maintained centrally. 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.

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

- Government fixes agriculture credit disbursement targets for the banking sector every year and banks have consistently performed well surpassing these targets.

- In terms of extant guidelines on Priority Sector Lending (PSL) issued by RBI, a target of 18 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposure (CEOBE), whichever is higher, is prescribed for lending by all Domestic Scheduled Commercial Banks to Agriculture. Out of the total target for agriculture, a target of 9 per cent has been prescribed for Small and Marginal Farmers (SMFs).
- Government of India implements an interest subvention scheme under which short term crop loans up to Rs 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 Rs. 1 lakh to Rs. 1.6 lakh.
- In terms of revised PSL guidelines of RBI, the target for SMFs is being revised from 8% to 10 % between 2020-21 and 2023-24 in a phased manner.
- The requirement of 'no dues' certificate has also been dispensed with in respect of small loans up to Rs. 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.

ANNEXURE I

Agriculture Credit Disbursement by Commercial Banks

(Amount in Rs. crore)

| S.N o. | State/UT | Agriculture Credit Disbursement by Commercial Banks | | | |
|-----------|----------------------|---|---------------------|------------------------|-----------------------|
| | | 2018-19 | 2019-20 | 2020-21 | 2021-22 * |
| 1 | DELHI | 24,32,691.71 | 21,630.09 | 14,23,496.31 | 7,90,690.28 |
| 2 | HARYANA | 44,57,831.83 | 44,726.10 | 39,37,196.39 | 18,53,734.10 |
| 3 | HIMACHAL PRADESH | 4,32,681.45 | 4,898.78 | 4,31,039.19 | 1,96,863.15 |
| 4 | JAMMU and KASHMIR | 12,60,005.17 | 12,815.15 | 14,01,575.81 | 5,79,642.76 |
| 5 | PUNJAB | 61,43,262.01 | 63,161.78 | 52,09,372.36 | 21,03,054.67 |
| 6 | RAJASTHAN | 55,87,292.80 | 69,677.30 | 69,90,568.03 | 33,79,490.67 |
| 7 | CHANDIGARH UT | 1,99,244.67 | 1,346.40 | 1,16,076.00 | 35,435.96 |
| 8 | LADAKH | - | - | 94,710.92 | 12,282.30 |
| 9 | ARUNACHAL PRADESH | 4,559.76 | 103.33 | 5,401.42 | 2,307.89 |
| 10 | ASSAM | 6,97,948.71 | 6,993.38 | 10,66,883.76 | 4,44,530.23 |
| 11 | MANIPUR | 18,437.26 | 252.26 | 26,764.44 | 12,019.44 |
| 12 | MEGHALAYA | 9,853.82 | 114.20 | 14,460.17 | 5,470.64 |
| 13 | MIZORAM | 24,855.90 | 36.23 | 6,622.83 | 2,956.03 |
| 14 | NAGALAND | 16,801.91 | 147.57 | 21,734.17 | 10,412.09 |
| 15 | SIKKIM | 15,517.40 | 167.62 | 18,331.91 | 4,916.83 |
| 16 | TRIPURA | 1,74,884.52 | 1,812.68 | 3,32,666.72 | 1,85,894.81 |
| 17 | A and N ISLAND | 11,664.47 | 140.64 | 19,679.34 | 10,361.05 |
| 18 | BIHAR | 16,42,394.03 | 21,298.05 | 24,67,203.90 | 10,89,702.90 |
| 19 | JHARKHAND | 3,56,235.52 | 4,989.39 | 5,35,243.01 | 2,19,379.58 |
| 20 | ODISHA | 12,78,844.24 | 15,496.39 | 17,06,506.88 | 8,80,075.68 |
| 21 | WEST BENGAL | 37,40,018.96 | 44,361.42 | 51,85,579.33 | 25,26,796.69 |
| 22 | CHHATTISGARH | 6,42,829.92 | 9,974.12 | 12,88,989.83 | 5,82,084.38 |
| 23 | MADHYA PRADESH | 43,94,500.52 | 46,470.49 | 59,71,874.44 | 21,90,763.08 |
| 24 | UTTARAKHAND | 7,70,287.48 | 8,680.60 | 7,93,348.18 | 2,97,368.41 |
| 25 | UTTAR PRADESH | 57,88,569.24 | 71,909.97 | 79,01,873.88 | 30,94,895.80 |
| 26 | GOA | 1,28,658.15 | 955.00 | 1,33,561.21 | 47,817.61 |
| 27 | GUJARAT | 47,72,648.55 | 53,382.83 | 57,92,751.76 | 34,06,164.51 |
| 28 | MAHARASHTRA | 68,69,508.20 | 69,037.67 | 76,09,876.61 | 35,14,118.15 |
| 29 | D and N HAVELI UT | 7,065.06 | 111.60 | 55,536.99 | 2,737.69 |
| 30 | DAMAN and DIU UT | 4,385.52 | 23.04 | 14,715.84 | 3,364.64 |
| 31 | ANDHRA PRADESH | 93,07,332.74 | 1,03,561.04 | 1,35,05,642.06 | 61,26,946.34 |
| 32 | TELANGANA | 45,58,460.41 | 49,720.18 | 53,27,959.23 | 25,37,769.16 |
| 33 | KARNATAKA | 54,92,104.59 | 64,470.02 | 80,58,094.41 | 35,49,774.04 |
| 34 | KERALA | 75,26,577.67 | 79,586.37 | 82,83,034.57 | 33,73,355.12 |
| 35 | PUDUCHERRY | 2,24,146.74 | 2,728.95 | 3,95,601.94 | 1,36,064.76 |
| 36 | TAMILNADU | 1,64,89,858.82 | 1,95,249.97 | 2,33,18,974.97 | 1,04,50,761.45 |
| 37 | LAKSHADWEEP UT | 292.32 | 5.01 | 7,440.59 | 628.90 |
| | TOTAL | 9,54,82,252.07 | 10,70,035.64 | 11,94,70,389.40 | 5,36,60,631.79 |

*(Provisional upto 30 Sept 2021)

Source: NABARD