

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 1378**

TO BE ANSWERED ON THE 11<sup>TH</sup> FEBRUARY, 2025

**FARMERS' INDEBTEDNESS**

**1378. SMT. RACHNA BANERJEE:**

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

- (a) the details of average amount of debt per farmer in the country during each of the last five years, highlighting trends and challenges, State-wise;
- (b) the key measures taken by the Government including loan waivers, interest subvention and financial assistance schemes to reduce farmer indebtedness in the country; and
- (c) the details of the effectiveness of these measures in alleviating the burden of debt on farmers?

**ANSWER**

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि और किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a): As per the latest NSS 77<sup>th</sup> round of the Survey by the National Statistics Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI) with reference to the agricultural year July, 2018- June, 2019 in the rural areas of the country, the state-wise average amount of outstanding loan per agricultural household during 2018-19 is given at Annexure.

(b) & (c): The details are as follow:

I. The government is implementing a 100% centrally funded Central Sector Scheme known as the Modified Interest Subvention Scheme (MISS) across India. This scheme aims to provide concessional interest rates on short-term agricultural loans obtained by farmers through Kisan Credit Cards (KCC) for their working capital requirements.

Under this scheme, farmers receive KCC loans at a subsidized interest rate of 7%. To facilitate this, an upfront interest subvention (IS) of 1.5% is provided to financial

institutions. Additionally, farmers who repay their loans promptly receive a 3% Prompt Repayment Incentive (PRI), effectively reducing the interest rate to 4% per annum. The benefits of IS and PRI are available for loan limits up to Rs.3 lakhs. However, if the short-term loan is taken for allied activities (other than crop husbandry), the loan amount is limited to Rs.2 lakhs only.

Under MISS, funds are released to Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) for Settlement of claims received under the scheme from various Banks.

II. Financial Support under PM KISAN Scheme: The PM-KISAN scheme is a central sector scheme launched in February 2019 by the Hon'ble Prime Minister to supplement the financial needs of land-holding farmers. Under the scheme, a financial benefit of Rs 6,000/- per year is transferred in three equal instalments, into the Aadhaar seeded bank accounts of farmers through Direct Benefit Transfer (DBT) mode.

A farmer-centric digital infrastructure has ensured the benefits of the scheme reach all the farmers across the country without involvement of any middlemen. Maintaining absolute transparency in registering and verifying beneficiaries, the Government of India has disbursed over Rs 3.46 lakh Cr. in 18 installments since inception.

III. Financial Support under Pradhan Mantri Fasal Bima Yojana: The Pradhan Mantri Fasal Bima Yojana (PMFBY) introduced in the country from 2016, provides for comprehensive risk insurance against crop damage due to non-preventable natural risks from pre-sowing to post-harvest for the crops/areas notified by the concerned State Government. The scheme has already become the number one crop insurance scheme in the world in terms of farmer applications enrolled. In terms of gross premium, scheme is the 3<sup>rd</sup> largest in the world.

As per provisions of the scheme, actuarial/ bidded premium rate is charged by the insurance companies. But the farmer has to pay only a maximum premium of 1.5% and 2% for Rabi and Kharif food and oilseed crops respectively and 5% for commercial/ horticultural crops. Remaining part of the actuarial/ bidded premium is shared on 50 : 50 basis by the Central and concerned State Government except in North Eastern States where it is shared in the ratio of 90 : 10.

**STATEMENT IN REPLY TO PART (a) OF LOK SABHA UNSTARRED QUESTION NO. 1378 TO BE ANSWERED ON 11/02/2024 REGARDING FARMERS' INDEBTEDNESS.**

Sl.No.	State/Group of NE States/ Group of UTs	Average amount (Rs.) of outstanding loan per agricultural household
1	Andhra Pradesh	2,45,554
2	Arunachal Pradesh	3,581
3	Assam	16,407
4	Bihar	23,534
5	Chhattisgarh	21,443
6	Gujarat	56,568
7	Haryana	1,82,922
8	Himachal Pradesh	85,825
9	Jammu & Kashmir	30,435
10	Jharkhand	8,415
11	Karnataka	1,26,240
12	Kerala	2,42,482
13	Madhya Pradesh	74,420
14	Maharashtra	82,085
15	Manipur	5,551
16	Meghalaya	2,237
17	Mizoram	23,485
18	Nagaland	1,750
19	Odisha	32,721
20	Punjab	2,03,249
21	Rajasthan	1,13,865
22	Sikkim	32,185
23	Tamil Nadu	1,06,553
24	Telangana	1,52,113
25	Tripura	23,944
26	Uttarakhand	48,338
27	Uttar Pradesh	51,107
28	West Bengal	26,452
	<b>Group of N E States</b>	<b>10,034</b>
	<b>Group of UTs</b>	<b>25,629</b>
	<b>All India</b>	<b>74,121</b>

Source: NSS Report No. 587: Situation Assessment of Agricultural Households and Land and Livestock Holdings of Households in Rural India, 2019