

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

LOK SABHA
UNSTARRED QUESTION NO. 1503
TO BE ANSWERED ON 29TH JULY, 2025

**FINANCIAL RELIEF MEASURES TO FARMERS PRONE TO WEATHER
DISRUPTIONS**

1503. SHRI P V MIDHUN REDDY:

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

(a) the details of support mechanisms which are in place to assist farmers in avoiding their loans from becoming NPAs, especially during adverse weather conditions affecting crop yield;

(b) the details of financial relief, restructuring options or waivers available to affected farmers;

(c) whether there are any region-specific programs being implemented especially for States prone to weather disruptions like Andhra Pradesh; and

(d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) to (d): The Government of India is implementing several scheme to provide financial assistance to farmers and to mitigate their financial risks including to protect them during periods of adverse weather conditions that impact crop yield, e.g. PM Kisan, PMFBY and MISS. Details of some of the major initiatives which are also implemented in Andhra Pradesh, are as under:

1. Under Modified Interest Subvention Scheme concessional interest rates on short-term agricultural loans are provided to 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 up front 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.

To provide relief to the farmers on occurrence of natural calamities, the component of interest subvention is available on the restructured amount to banks for the first year and such restructured loans would attract normal rate of interest from the second year onwards as per the policy laid down by RBI.

Interest subvention and prompt repayment incentive on restructured crop loans is also given to farmers affected by severe natural calamities for a maximum period of 5 years based on the report of Inter-Ministerial Central Team (IMCT) for grant of NDRF assistance and Sub-Committee of National Executive Committee (SC-NEC).

2. Pradhan Mantri Fasal Bima Yojana (PMFBY): As a support mechanism to assist the farmers, PMFBY provides for comprehensive risk insurance against crop damage from pre-sowing to post-harvest for crops and area notified by the concerned State Government. The scheme is voluntary for the States since inception and for all farmers w.e.f. Kharif 2020.

The scheme not only safeguards against wide spread yield loss due to non-preventable natural risks/ & extreme climate calamities_viz. flood, inundation, landslide, drought, heat waves, hailstorm, cyclone, pests/diseases, natural fire and lightening, storm, typhoon, tempest, hurricane, tornado etc. but also against farm level yield loss due to localized risks (hailstorm, landslide, inundation, cloud burst and natural fire) and post harvest losses due to cyclone, cyclonic/unseasonal rain and hailstorm and prevented sowing. Under this crop insurance scheme, farmers are provided financial protection against crop loss due to natural calamities. In case of crop failure, the insurance compensates the loss, allowing farmers to meet their loan obligations and prevent NPAs.

To provide financial support to farmers at the time of losses due to natural calamities, a yield index-based Pradhan Mantri Fasal Bima Yojana (PMFBY) and weather index based Restructured Weather Based Crop Insurance Scheme (RWBCIS) have been introduced in the country from Kharif 2016 season. It is a demand driven scheme and financial liability on premium subsidy to farmers is shared by the Central and State Government on 50 : 50 basis and 90 : 10 in North Eastern States & other Hilly states, with effect from Kharif 2020 season. The scheme is voluntary for the States since inception and for all farmers w.e.f. Kharif 2020.

3. Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)- The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) is a Central Sector Scheme, launched in February 2019 by Hon'ble Prime Minister of India. The Scheme aims at providing financial assistance to

farmer families with cultivable landholding, subject to certain exclusion criteria, to enable them to take care of expenses related to agriculture and allied activities. Under the Scheme, an amount of Rs. 6000/- per year is transferred in three 4-monthly installments of Rs.2000/- per farmer family.

4. Natural Calamity Relief: Farmers are also provided relief under National Disaster Relief Funder for the crop loss during natural disaster. The State Governments provide financial relief to the affected people in the wake of notified disasters, including drought from the State Disaster Response Fund (SDRF), already placed at their disposal. However, in the event of disaster of a severe nature, additional financial assistance is extended from the National Disaster Response Fund (NDRF), as per the laid down procedure, which includes an assessment based on the visit of an Inter-Ministerial Central Team (IMCT). The financial assistance provided under SDRF and NDRF is by way of relief and not for compensation.

5. Loan Restructuring: In the event of natural disasters, the Reserve Bank of India (RBI) allows for restructuring of loans. Reserve Bank has issued Master Directions – Relief Measures by banks in areas affected by Natural Calamities 2018 dated October 17, 2018, separately to Scheduled Commercial Banks and to RRBs. As per the Master Directions, in the event of natural calamities declared by the State/Central Government all short-term loans, except those which are overdue at the time of occurrence of natural calamity, shall be eligible for restructuring. Fresh loans can also be sanctioned by banks to affected borrowers. Agricultural term loan installments shall also be rescheduled keeping in view the repaying capacity of the borrower and the nature of natural calamity. This ensures that farmers are not unduly burdened during crop failure or damage due to natural calamities.

All the above schemes are being implemented in the country including Andhra Pradesh to assist farmers during adverse weather conditions and to mitigate their sufferings due to natural calamities affecting their crops.
