

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
Starred Question No. *216

To be answered on 11 March, 2016/Phalgun 21, 1937 (Saka)

Bank Accounts for Farmers

*216. SHRI SUNIL KUMAR SINGH;

SHRI SADASHIV LOKHANDE

Will the Minister of FINANCE be pleased to state:

(a) whether the recent study/report of the National Bank for Agriculture and Rural Development (NABARD) has indicated that nearly 52 per cent of farmers of the country do not have a bank account, if so, the details thereof and the reaction of the Government thereon;

(b) whether the share of the agricultural loan to the North Eastern States is less than ten per cent, if so, the details thereof;

(c) whether the Government has any proposal to lower the interest rate on loans provided to poor farmers belonging to Scheduled Castes and Scheduled Tribes and Other Backward Classes, if so, the details thereof; and

(d) the steps taken/being taken by the Government to provide easy loans to farmers in this regard?

Answer

The Finance Minister
(Shri Arun Jaitley)

(a) to (d):- A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. *216 to be answered on 11th March, 2016 regarding Bank Accounts for Farmers

(a): No Madam. However, the National Sample Survey Organisation (NSSO) conducted Situation Assessment Survey (SAS) of Agricultural Households during NSS 70th round for the reference period of the agricultural year July 2012- June 2013, which estimated that approximately 52 per cent of agricultural households are indebted to either institutional or non-institutional sources.

(b): Yes Madam. Though agricultural credit in India has registered consistent growth, regional variation in distribution of the credit remains, offtake of agriculture credit is hampered due to various reasons including topography, sparse settlements of population, lower level of commercialization, lack of irrigation facilities, infrastructural bottlenecks, more than one fifth of land being fallow, and weak cooperatives.

(c)& (d): Various initiatives have been taken to reduce debt burden on farmers as well as to provide easy and hassle-free loan to farmers, including short term crop loans at a low rate of 7% p.a. for which 2% subvention is given. An additional 3% subvention for prompt repayment is also given by the Central Government so that the effective rate of interest is reduced to 4%. In addition, targets are given to banks for agriculture credit under Priority Sector Lending (PSL) Guidelines, ATM enabled Kisan Credit Cards have been issued, Joint Liability Groups (JLGs) to bring small, marginal, tenant farmers, oral lessees, etc. into the fold of institutional credit have been promoted, and an automatic mechanism put in place for initiating relief measures in areas affected by natural calamities.
