

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE
RAJYA SABHA
QUESTION NO 03.12.2004
ANSWERED ON
SUICIDES BY FARMERS IN KARNATAKA .

197

Dr. Vijay Mallya

Will the Minister of COAL AGRICULTURE be pleased to state :-

- (a) whether it is a fact that instances of farmers' suicides have of late recorded a steep increase in Karnataka particularly in Hasan district since April, 2003;
- (b) if so, the details thereof;
- (c) whether it is a fact that Karnataka Government has failed to settle the crop insurance claims in time which forced the farmers to approach the money lenders;
- (d) the other reasons for such an abnormal increase in the incidents of suicides in Karnataka; and
- (e) the action proposed to be taken by the Central Government to improve the situation?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE

(SHRI KANTI LAL BHURIA)

(a) & (b): The figures reported by the Government of Karnataka regarding suicide in the State and Hassan district are given in the table below:

| Period | No. of cases of suicide by farmers in Karnataka | No. of cases of suicide by farmers in Hassan District |
|---------|---|---|
| 2003-04 | 70869 | 2004-05 (upto 25th November, 2004) |
| | 16519 | |

(c) : Under the crop insurance programme, the responsibility of processing, finalization and settlement of claims lies with the Agriculture Insurance Company of India Limited. Wherever the claims exceed the premium collected, the amount over and above the premium is to be equally borne by the Government of India and the State Government. The State Government has released its share to the Insurance Company immediately after the receipt of the request of the Company.

.....2/-

: 2:

(d) : As reported by the State Government reasons associated with the suicide by farmers are due to inability to bear the burden of loan borrowed from the credit sponsoring agencies including private money lenders, crop failure /crop loss and family problem/private affairs.

(e):In pursuance of Government of India`s announcement with a view to provide credit related relief to the farmers the Reserve Bank of India has issued standing guidelines to banks for providing relief to the farmers in areas affected by natural calamities. These guidelines have been issued to enable the banks to take uniform and concerted action expeditiously, particularly to provide financial assistance to the farmers affected by natural calamities. These guidelines envisage inter alia:

Conversion/ rescheduling of loans in the event of natural calamity for periods ranging from 3 to 9 years depending upon the successive crop failure/ intensity of damage of crops.

Grant of fresh crop loans to affected farmers.

Conversion of principal as well as interest due on existing short term loans into medium term loans.

Grant of consumption loans.

Not to compound interest in respect of loans converted / rescheduled etc.

Not to charge penal interest in respect of current dues in default.

As a special dispensation for the agriculture sector, the Government of India has advised all the Public Sector banks to reduce their lending rate for agriculture to a single digit rate of not more than 9% per annum on crop loans up to a ceiling of Rs.50,000/-. Keeping in view the importance of flow of credit to agriculture, in particular to the smaller borrowers who may not have the necessary assets as collateral, the banks have been advised to waive margin/ security requirements for agricultural loans up to Rs.50,000/-. NABARD has also issued guidelines on schemes for Redemption of Debts of farmers from non-Institutional Sources.

