

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

RAJYA SABHA

QUESTION NO 06.05.2008

ANSWERED ON

SUICIDES BY FARMERS

4219

SHRI A. VIJAYARAGHAVAN

Will the Minister of FINANCE be pleased to state :-

(a) whether Government is aware of the reported continuing farmers suicide in Vidarbha region, Maharashtra, due to inability to pay back loans during April, 2008;

(b) if so, the details of action taken including the debt of farmers as loan taken from various sources as on today, State-wise, category-wise; and

(c) the measures taken to give relief to farmers from above debt menace?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PAWAN KUMAR BANSAL) -

(a) to (c): To provide relief to the farmers in the 31 districts of Maharashtra (6 districts in Vidarbha), Andhra Pradesh (AP), Karnataka and Kerala, where a large number of farmers have committed suicide supposedly due to agricultural indebtedness, the Government has implemented a comprehensive Debt Relief Package. The package provided waiver of entire interest on overdue loans as on 01.07.2006 such that all farmers had no past interest burden as on that date. Further, the overdue loans of the farmers as on 01.07.2006 has been rescheduled over a period of 3-5 years with a one year moratorium and additional credit flow has been ensured during the years 2006-07 and 2007-08 to these farmers who have been made eligible for fresh loans.

Interest amounting to Rs. 3,642 crore approx. (Rs. 834.22 crore, Rs.1,952.84 crore, Rs.640.80 crore and Rs.214.12 crore in Maharashtra, A.P., Karnataka and Kerala respectively) have been waived while loans worth Rs. 10,696 crore (Rs. 1,384 crore, 7,260 crore, 1,249 and Rs. 803 crore in Maharashtra, A.P., Karnataka and Kerala respectively) have been rescheduled in these districts.

Besides, in the Union Budget 2008-09, the Government has announced a Debt Waiver and Debt Relief Scheme for farmers, which stipulates waiver of all loans disbursed by Scheduled Commercial Banks, Regional Rural Banks and Cooperative Credit Institutions before 31.03.2007, that were overdue on 31.12.2007 and which remained unpaid until 29.02.2008 for small farmers (land holding between 1 and 2 hectares) and marginal farmers (land holding upto 1 hectare). In respect of other farmers (land holding more than 2 hectares), there is a One Time Settlement (OTS) Scheme for all loans that were overdue on 31.12.2007 and which remained unpaid until 29.02.2008. The OTS provides a rebate of 25% against payment of the balance amount of 75%. Government estimates that about three crore small and marginal farmers and about one crore other farmers including the farmers of Vidarbha, whose loans are overdue on 31.12.2007 will benefit from the scheme.