

**GOVERNMENT OF INDIA**

**MINISTRY OF FINANCE**

**RAJYA SABHA**

**QUESTION NO 26.02.2008**

**ANSWERED ON**

**SUICIDE BY DEBT RIDDEN FARMERS QUESTION .**

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Prof. P.J. Kurien

Will the Minister of CIVIL AVIATION, HEALTH AND FAMILY WELFARE, RAILWAYS, HOUSING AND URBAN POVERTY ALLEVIATION, CIVIL AVIATION, FINANCE be pleased to state :-

- (a) whether it is a fact that a number of farmers committed suicide because of their inability to pay back their loans from Commercial Banks during the last three years, till date;
- (b) if so, the number and the details of such suicides;
- (c) whether Government would like to take new initiative to help the farmers in distress;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor ?

**ANSWER**

(THE MINISTER OF STATE IN THE MINISTRY OF FINANCE)

(SHRI PAWAN KUMAR BANSAL) -

(a) : Various agencies such as Indira Gandhi Institute of Development Research (IGIDR), Mumbai, Tata Institute of Social Sciences (TISS), Mumbai, National Institute of Agricultural Extension Management (MANAGE), YASHADA, Pune and SAKAL Group of Newspapers, Pune, which conducted in-depth studies to ascertain the factors leading to the suicide of farmers attributed, among others, the following major reasons for the suicides committed by farmers in the country : -Borrowings from non-institutional sources; -Crop failure; -Non-remunerative price for the produce; -Health related expenses; -Failure of irrigation structures; and -Poor extension services.

While indebtedness of the deceased farmers in Andhra Pradesh was mainly from informal sources, in Maharashtra, both formal and informal sources constituted similar proportions. Lack of opportunities for supplementary livelihood in non-farm sector, absence of safety nets to cushion economic shocks and expenditure on marriage and illness leading to increased and accumulated debt burden were some of the other important factors identified for farmers suicides.

(b) : As per data available with NABARD, the reported number of farmers suicides during the years 2004-05, 2005-06, 2006-07 and 2007-08 (till December, 2007) are 1832, 584, 274 and 291 respectively.

(c) to (e) : Keeping in view the extreme conditions of the farmers in the 31 districts of Maharashtra, Andhra Pradesh, Karnataka and Kerala, a comprehensive Debt Relief Package for farmers premised on the package announced on 18.06.2004 but also specifically addressing the deep debt and distress of the farmers in the affected districts has been implemented. The main items of the package are as under:

(i) The entire interest on overdue loans as on 01.07.2006 will be waived in the affected districts such that all farmers will have no past interest burden as on that date. This should immediately make them eligible for fresh loan from the banking system.

(ii) The overdue loans of the farmers as on 01.07.2006 will be rescheduled over a period of 3-5 years with one year of moratorium.

(iii) An additional credit flow will be ensured in these 31 districts in 2006-07.