Action Plan for Mitigating Farmers’ Distress

Relief and Rehabilitation
Government of Maharashtra

A Multi-pronged Approach

- Financial Services: Credit, Savings, and Insurance
- Direct Assistance to Farmers through an Integrated Package
- Diversification of Livelihood Opportunities
- Encouragement to Agro-based Industries
- Relief Assistance to Cotton Farmers
- Community marriages for girls
- Campaign for Organic Farming
- Vidarbha Watershed Development Mission
- Helpline for Farmers
- Assistance to the Families of Deceased Farmers
Financial Services

- Re-scheduling of Loans up to Rs. 25,000
- Moratorium on Repayment of Principal for a period of two years
- Payment of Principal in next three years in three equal installments
- Financial institutions to levy 9 percent on rescheduled loans
- 4 percent subsidy through Punjabrao Deshmukh Krishi Sahayya Yojana if the principal is returned within time
- If the loan is returned within the period of moratorium, they would be given a further concession of two percent

Regulation of Moneylenders and Cooperatives

- The licensed moneylenders will charge interest as per the Moneylending act
- All the loans taken from non-licensed moneylenders would not be considered legitimate, and farmers would not be under any obligation to pay them
- All the short, medium, and long-term loans from the cooperatives will be subject to Dam Duppat, so that the farmers do not have to pay interest more than the amount of the principal
Provision of Fresh Loans

- Formation of Farmers’ Self-help Groups
- Provision of Credit from the Nationalized, Private and Cooperative Banks through Self-help groups
- All the farmers would be entitled to receive Rs. 25,000 loans through the Kissan Credit Card at the rate of 9 percent
- If the loan through Kissan Credit Card is returned within time, 4 percent interest subsidy would be given through the Punjabrao Deshmukh Krishi Sahayya Yojana

Provision of Insurance

- Provision of Insurance subsidy for the Government of India-supported Insurance Scheme
- 75 percent Insurance subsidy for cotton for small and marginal farmers
- 50 percent Insurance Subsidy for cotton for other farmers
- 50 percent Insurance Subsidy to all farmers for other crops
Direct Assistance to Farmers

- Assistance of Rs. 25,000 each to individual farmers
- Assistance for land improvement, in-situ water conservation, organic farming, and use of organic seeds, fertilizers and pesticides
- 60,000 farmers to be assisted through this program in three years

Diversification of Livelihood Opportunities

- Bank loans and subsidy to be made available for ancillary activities which include dairy, poultry, sericulture
- Assistance to be provided to 60,000 farmers through 3,000 self-help groups
- Each self-help group would be provided with Rs. 1 lakh for supporting these activities
Encouragement to Agro-processing Activities and Joint Cultivation

- Assistance for Agro-processing units though subsidy for share capital on 1:5 basis when such units are set up on cooperative basis
- Joint farming for textile mills and cotton-based industries (ginning and pressing mills)
- Tripartite MOUs among farmers, Agriculture Department, and textile mills for joint farming

Relief Assistance to Cotton Farmers

- The deposit available under the Cotton Monopoly Scheme would be returned with 12 percent rate of interest in two installments: 50 percent in the current financial year and 50 percent in the next financial year
- Rs. 1,000 per hectare to all the cotton farmers, subject to a maximum of two hectares
Organic Farming and Watershed Development

- Campaign for promoting organic farming through farm schools
- Subsidy assistance for organic fertilizers, seeds and pesticides
- Setting up of Vidarbha Watershed Mission though which a large number of water conservation schemes are taken up on a more integrated basis

Welfare Schemes

- Community marriages for girls
- Starting help-lines for farmers
- Farmers’ meetings
- Investigation into the farmers’ suicides through a local committee consisting of the local Revenue officer, Police Officer, and Agriculture Officer
- A committee would be formed under the Chairmanship of the Collector to sanction assistance to the families which have suffered losses due to suicides