



# Odisha CM writes to PM on farm loans

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In a letter to Prime Minister Narendra Modi, Mr. Patnaik has made several suggestions in this regard. "In order to relieve farmers of the agrarian distress, we should have a national policy on farm loan waiver"

## Highlights

- Address the rather discretionary and ad hoc nature of loan waiver announcements being made by political parties in election campaigns without any promises of back-up from the Centre on sharing of costs, and then trying to arrange funding.
- The whole issue should be removed from political considerations, since agrarian distress and addressing is beyond partisanship
- Suggests the setting up of a Credit Guarantee Trust for Agriculture (CGTA) on the lines of the Credit Guarantee Trust for Small and Medium Enterprises (CGTSME), Through this, collateral-free agricultural loans of up to Rs. 50 lakh and collateral-free crop loans of up to Rs. 2 lakh is offered, backed only by the guarantee of CGTA
- Address the problem of access to institutional credit faced by sharecroppers. Since they are not owners of the land they till and since banks are reluctant to offer them credit, sharecroppers have to turn to private moneylenders

Source: The Hindu

