



# Jharkhand Government Waives Farm Loans

## Why in News?

Recently, the **Jharkhand government** has announced the [waiver of agricultural loans](#) worth **Rs. 400.66 crore**.

- This decision, which benefits **1,76,977 farmers**, was implemented through [Direct Benefit Transfer \(DBT\)](#) on **September 26, 2024**.

## Key Points

- **Addressing Farmers' Challenges:**
  - The **loan waiver** aims to alleviate these burdens by canceling debts up to **Rs. 2 lakh per farmer**.
  - The waiver is a **response to the significant difficulties experienced by farmers** in Jharkhand, where 80% of the population relies on agriculture for their livelihood.
- **Promoting Self-Reliance and Alternative Farming:**
  - Government urged farmers to adopt **alternative farming techniques** alongside traditional methods to cope with the changing climate.
  - The government of Jharkhand stressed the **importance of self-reliance** for the **state's development**, despite Jharkhand's **rich mineral** and **forest resources**.

## Direct Benefit Transfer Scheme

- **Aim:** It has been visioned as an aid for simpler/faster flow of information and funds to the beneficiaries and to reduce the fraud in the delivery system.
- **Implementation:** It is a mission or an initiative by the government of India started on **1<sup>st</sup> January 2013** as a way to reform the government delivery system.
  - **Central Plan Scheme Monitoring System (CPSMS)**, the earlier version of the [Public Financial Management System \(PFMS\)](#), of the **Office of Controller General of Accounts**, was chosen to act as the common platform for routing of the **Direct Benefit Transfer**.
- **Components of DBT:** Primary components in the implementation of DBT schemes include **Beneficiary Account Validation System**, a robust payment and reconciliation platform integrated with [Reserve Bank of India \(RBI\)](#), [National Payments Corporation of India \(NPCI\)](#), [Public & Private Sector Banks](#), [Regional Rural Banks and Cooperative Banks](#) (core banking solutions of banks, settlement systems of RBI, Aadhaar Payment Bridge of NPCI) etc.