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Demonetisation is not affecting 70% of rural India: Radha Mohan Singh

By [Madhvi Sally](#), ET Bureau | Updated: Nov 20, 2016, 11:47 PM IST[Post a Comment](#)

Agriculture Minister [Radha Mohan Singh](#) says that swapping old currency for new is not bothering 70% of rural people because they generally deal in notes lower than Rs 500. He says some political parties are trying to use [farmers](#) to try and reverse the move against black money, possibly because some leaders in those parties may be worried about steps against black money. In an interview with ET, Singh also said the steps taken to allow higher withdrawals to farmers and traders will ensure proper planting of the rabi crop.



"In a village economy 80% of the people take Rs 50 & Rs 100 note to local mandis and do trading, with hardly two to three people using the bigger currency note of Rs 500 or Rs 1000," he said.

Farmers are facing a lot of issues after demonetisation

The scheme has just started few days ago and some people are decrying it. In the village I live, 75% people take credit during wedding of their sons and daughter and pay to garments store, grocery store after a month or two. People who do not get credit will be living in the NCR towns/cities. Under the Pradhan Mantri Jan Dhan Yojana (PMJDY), as many as 24.46 crore new bank accounts have been opened while there are 24 crore families. More than 7 crore people have kisan credit card. Hardly any family has been left from the banking sector. Farmers can also open in mandi their accounts.

The reports we are getting from mandis and villages...

There is no report coming from villages. Political parties are spreading rumours. A politician feels that they can take the name of the common man or farmer and make a point. This happened when the Kosi flood happened in our state (Bihar) early this year, when one grocery store person was selling biscuit worth Rs 10 a packet for Rs 50 a packet, influenced by television reports.

75% people have not been affected by this move (demonetisation). In a village economy 80% of the people take Rs 50 & Rs 100 note to local mandis and do trading, with hardly two to three people using the bigger currency note of Rs 500 or Rs 1000.

In villages people take daily need items from wheat, rice, oil on credit from grocery store. Even in cities people do that.

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But in mandi traders are saying that the business has seen a drop of 50%. How is it happening?

In mandi, there was an initial impact. It is a big, bold decision, one of its kind after Independence. Hence some impact is likely to take place for few days. We have taken some measures like allowing farmers to withdraw Rs 25,000 per week from their bank accounts and deposit without any restriction. Also the buyer (commission agents/traders) has been allowed to withdraw Rs 50,000 per week. It will take some time for the implementation to take place. In mandi, the farmer payment is delayed and he takes loan from whom he sells his produce. This amount is sufficient for a week.

A farmer will only get payment after he manages to stand in long queues at bans

There is no problem in depositing money. Now in mandis, we are making arrangements so that farmers can withdraw money from there. In the coming days everything will be cashless.

How many days will it take for things to normalise?

Out of 100 people, 75 don't have any problem. There are 25% people whom might have a problem. Out of those, 20% people feel this is a good decision. Rest 4% who have immediate requirement for Rs 5-10 lakh currency, their problem will be solved in the next 50 days. Then there is 1% of the people in whose lives, their problem will not solve- till they declare the money or throw it.

Farmer has no problem. On their names, some political leaders or big people are making it an issue. They will not succeed. These- 1% of the people in the country are taking shield behind farmers to protect their black money. People who are protesting and want to scuttle the move will never be successful, as 99% of the people in the country are in favour of demonetisation. Such a popular and brave decision has never been taken.

So you think that some people are misusing the Jan Dhan accounts?

People who have huge amounts of cash in Rs 500-1000 crore will suffer. Some who have smaller denomination might manage. But various measures from putting ink on fingers, string operation will check them. How will people manage the fake currency?

Don't you think the government should have allowed farmer to buy seed and fertiliser with his old currency notes?

Farmers who take loans are being allowed to take Rs 25000 cash from banks and Rs 2.5 lakh for marriage ceremonies. As supply of currency increase, the situation will improve in next 50 days. This will not impact the rabi planting which will carry till December in the country.

Can you give assurance or guarantee to the country that there will be no impact of demonetisation on rabi planting?

Initially people in the country will face some challenges, but they feel that's it's a good move. Things will improve. Farmer will not be levied any tax. He was made to panic that if he deposits money he will be taxed.

Will you take any further steps if farmers come to you with their problems?

The farmer will never come with any problem. It is the big people who will make them shield and say they have issues. Farmers in villages have always had smaller currency notes.

What will be the impact of this popular move on the upcoming assembly elections?

Our Prime Minister's goal was not politics. It was very clear that this is aimed for the country. It is the most popular decision taken by a government post- Independence.

So that means you are winning the UP polls?

There is no impact of demonetisation on UP election. Our Prime Minister'd aim is to move the country ahead.

Has state party people confidence increased?

This is a move for the country. Somebody in the party may not even like it. The Prime Minister keep the party behind and the country first.

So why is Congress and AAP decrying this move?

These people are saying as maybe some political leader in their party are affected with this move. The leaders might be influencing the party heads and hence taking this stance. This is not the case in our party as our Prime Minister thinks for the country.

Three farmers we have spoken to who have issues in getting access to bank facilities or getting the currency form the banks.

I met farmers and representation from south India and they have no issues. The farmers in in north India are different. There are three types of farmers. The first one is NCR farmer who lives close to cities. Then there are farmers who live in villages and hinterland of the country. The last one is the 'baudhik' (intelligent) farmer living in cities, who actually has a problem. The common farmer might have faced some trouble – in arranging money or standing in bank queues, but he is happy with this decision.

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