

## OPINION OF FARMERS TOWARDS FLOW AND AVAILABILITY OF FARM CREDIT

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### ABSTRACT

*The study was conducted in Etawah district of Uttar Pradesh and 240 respondents, representing 2 blocks and 8 villages of the district constituted the study sample. Regarding the respondents' opinion about different aspects of disbursement of loan, majority felt that loaning procedure was simple, adequate, treatment of employees was cordial, rate of interest optimum and most of the respondents preferred single window system. While a sizable proportion of respondents viewed that Kisan Credit Card should be made available for every needy borrower.*

**Key words:** Kisan credit card; Borrower

### INTRODUCTION

The agriculture and allied occupation are the mainstay of the Indian economy. Agriculture is compared to industries in subject to many disadvantages. Among others, small size of holdings, risk and uncertainties, time taking business, lack of unity or unions among farmers that stands as an impediment in marketing their products, perishable farm products, forced sales in farms in majority not being properly linked with pucca road. Farmers in India require credit mainly for the following purposes - (i) land and its improvement, (ii) Agriculture implements, machines and live stock, (iii) Necessary inputs like seeds, fertilizers, irrigation, insecticides and pesticides and (iv) For maintaining himself and his family, some of our farmers need consumption credit as well.

The new technology is undoubtedly highly productive but at the same time it requires relatively larger quantity of investment. Unless proper credit facilities in conjunction with careful extension advice and other necessary institutional infrastructures are provided to the majority of cultivators no substantial gains can be expected. Since, majority of farmers belong to the category of small and marginal farmers they usually need timely financial assistance. Therefore, it was considered imperative to seek their opinion on this issue and thus this study was viewed and conceptualized.

### METHODOLOGY

The present study was conducted in district Etawah, Uttar Pradesh. District Etawah was purposively selected. There were eight blocks in district. Out of these, two blocks Barpura and Mahewa were selected randomly. Four villages from each block were selected randomly. Thus, total eight villages were selected for the study. For the selection of respondents a list of bank borrowers belonging to these villages was prepared and 240 respondents were selected randomly from 680 borrowers. The structured schedule was used for obtaining

necessary information from respondents. The data were collected through personal interviews, analysed and interpreted by using relevant statistics.

### RESULTS AND DISCUSSION

In this study, opinion of respondents about different aspects of disbursement of loan was sought and results are presented in table 1. It is apparent from the table that majority of respondents (71.67%) reported that loan was delayed while 28.33 per cent observed that it was timely available. There was wide variation in the opinion of the respondents about disbursement of loan. Similar findings were also observed by Singh and Singh (2003) about disbursement of loan. With regard to the opinion of farmers regarding procedure of loan the majority (79.58%) respondents reported that procedure of loaning in bank is simple while 20.42 per cent of respondents were reported that the procedure of loaning was complicated. The present finding was also supported by Singh (1991).

The opinion of farmers regarding availability of loan the majority i.e. 75.42 per cent respondents reported that the amount of loan was adequate while 24.58 per cent reported that amount of loan was not adequate. Opinion about single window system preference majority i.e. 81.25 per cent preferred single window system while 18.75 per cent respondents 'not preferred'. Majority of respondents i.e. 35.00 per cent respondents reported that the treatment of the bank personnel was 'good' while 31.67 per cent, 22.50 per cent and 10.83 per cent reported 'satisfactory', 'normal' and 'unsatisfactory' respectively.

In case of opinion of respondents regarding rate of interest, the majority (85.42%) felt that the rate of interest was 'optimum' while 10.42 per cent and 4.16 per cent reported 'high' and 'very high', respectively. Regarding knowledge of farm credit, majority 53.75 per cent respondents have 'no knowledge' while 46.25 per cent 'have knowledge' in respect of farm credit. Opinion regarding extra expenditure in getting loan like cost of

stamp, typing charges, other expenditure in getting loan from the bank the majority i.e. 47.92 per cent reported 'very reasonable', while 24.58 per cent felt 'reasonable', about 21.25 per cent respondents reported 'not at all', rest 6.25 per cent respondents felt that extra expenditure in getting loan is 'too much'. This may be due to their poor economic conditions.

Table 1. Opinion of farmers regarding farm credit (N = 240)

S.No.	Opinion	Frequency	Percentage
1.	Disbursement of loan		
	Timely	68	28.33
	Delay	172	71.67
2.	Procedure of loan		
	Simple	191	79.58
	Complicated	49	20.42
3.	Availability of loan		
	Adequate	181	75.42
	Unadequate	59	24.58
4.	Single window system procedure		
	Preferred	195	81.25
	Not preferred	45	18.75
5.	Cordial treatment		
	Good	84	35.00
	Satisfactory	76	31.67
	Normal	54	22.50
	Unsatisfactory	26	10.83
6.	Rate of interest		
	Optimum	205	85.42
	High	25	10.42
	Very high	10	4.16
7.	Knowledge about farm credit		
	Have knowledge	111	46.25
	No knowledge	129	53.75
8.	Extra expenditure in getting loan		
	Too much	15	6.25
	Reasonable	59	24.58
	Very reasonable	115	47.92
	Not at all	51	21.25
9.	Change in income after getting loan		
	Increased	169	70.42
	Equal (No change)	56	23.33
	Decreased	15	6.25
10.	Source of knowledge of farm credit		
	Banks	94	39.16
	Extension / social worker	23	9.58
	V.D.O.	73	30.42
	Literature	31	12.92
	Other	19	7.92

Data on change of income after getting loan was collected and it was found that a sizable proportion of respondents (70.42 %) found their income increased after taking loan while

23.33 per cent and 6.25 per cent respondents reported 'equal' and 'decreased'. Thus, it was clear from the table that majority of respondents benefited from taking loan. The similar findings observed by Jain (1988).

Opinion regarding source of knowledge of farm credit the data revealed that majority of respondents i.e. 39.16 per cent got knowledge from 'Banks', while 30.42 per cent from V.D.O., 12.92 per cent from 'Literature', 9.58 per cent from 'Extension / social workers' and rest 7.92 per cent from other sources. This clearly indicated that special role of extension workers in this field.

Table 2. Suggestions of respondents for enhancement of farm credit. (N = 240)

S. No.	Reasons	No. of respondents	Percentage
1.	Simple procedure should be adopted in sanctioning loan.	66	27.50
2.	Adequate loan should be made available	177	73.75
3.	Extra expenditure should not be involved	24	10.00
4.	Loan should be made available well in time.	180	75.00
5.	Repayment term should be easy.	19	7.92
6.	Cordial treatment of bank personnel is must.	12	5.00
7.	Rate of interest should be minimum.	172	71.67
8.	Kishan Credit card should be available for every needy borrower.	185	77.08

Data on suggestions of respondents for enhancement of farm credit was elicited and results are depicted in table-2. 77.08 per cent respondents suggested that 'Kisan Credit card should be made available for every needy borrower', while other suggestions 'simple procedure should be adopted in sanctioning loan', 'adequate loan should be made available', 'extra expenditure should not be involved', 'loan should be made available well in time', 'repayment term should be easy', 'cordial treatment of bank personnel is must', 'rate of interest should be minimum' suggested by 27.50 per cent, 73.85 per cent, 10.00 per cent, 75.00 per cent, 7.92 per cent, 5.00 per cent and 71.67 per cent respondents, respectively.

## CONCLUSION

The respondents had mild opinion about the bank loan and their suggestions indicated that there was need to improve the farm credit system.

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