

Study on the Constraints Faced and Suggestions Given by the Farmers who Borrowed Croploan

GOTTEMUKKULA BHAVANI^{*}, D.M. MANKAR¹ AND P.P. BHOPLE²

Dr. PanjabraoDeshmukhKrishiVidyapeeth, Akola, Maharashtra

**email : bhavanig0712@gmail.com*

ABSTRACT

This paper is focused on the constraints faced by the farmers while availing and utilizing the crop loan along with their suggestions. An ex- post facto research design was adopted to conduct the study in Akola district of Maharashtra. Two blocks were selected purposively based on highest amount of crop loan disbursement during (year). From each block five villages were selected purposively based on highest number of crop loan farmers. From each village 10 farmers were selected based on random sampling, thus a total of 100 respondents selected for investigation. Variables under investigation were considered and subjected to different statistical analysis for the purpose of categorization of respondents and other related components. The data was collected by personal interview method through pre- tested structural interview schedule. The collected data coded, tabulated and employed appropriate statistical procedures to analyse and interpret the data. The findings shows that, majority of the respondents expressed insufficient loan amount (94.00%) followed by repayment is difficult, since farmers not getting good rates for their produce (87.00%), repayment period is not sufficient (82.00%). Majority of the crop loan farmers suggesting that loan amount should be enhanced in according to their land value. (96.00) followed by repayment period should be enhanced (89.00%)

Key words *Crop loan, constraints, suggestion and ex-post facto research design.*

India is a global agricultural powerhouse. Indian agriculture sector accounts for 13.9 per cent of India's gross domestic product (GDP) during 2013-14 at 2004-05 prices and employs just a little less than 54.6 per cent of the country's workforce (Yearend Review for the Ministry of Agriculture for the Year 2014-15, 22-December-2014, 15:28 IST). Most of the developing countries like India, farmers are unable to cope up with the modernization because of their own limited capital. The requirements of finance in agricultural sector is therefore required the most as very few farmers have capital of their own to invest in agriculture. Therefore, a need arises to provide credit to all those farmers who require it. Professional money lenders were the only source of credit to agriculture till 1935. They used to charge unduly exorbitant rates of interest and follow serious practices while giving loans and recovering them. As a result, farmers were heavily burdened with debts and many

of them are left with perpetuated debts. There were widespread discontents among farmers against these practices and there were instances of riots also (Basu.S.K 1979). While agricultural growth will, in itself, provide the base for increasing incomes, for rural persons that are below the poverty line, additional measures are required to make this growth inclusive. The present study was, therefore, undertaken with the specific objective to study on the constraints faced by the farmers while availing and utilizing the crop loan along with their suggestions.

MATERIALS AND METHODS

An ex- post facto research design was adopted to conduct the study in Akola district of Maharashtra. Two blocks were selected purposively based on highest amount of crop loan disbursement during (year). From each block five villages were selected purposively based on highest number of crop loan farmers. From each village 10 farmers were selected based on random sampling, thus a total of 100 respondents selected for investigation.

RESULTS AND DISCUSSION

Constraints faced by the farmers while obtaining and utilization of crop loan

An attempt was made to identify the constraints faced by the farmers while obtaining and utilization of crop loan.

Their responses were tabulated after calculating the frequency and percentage as shown in following table.

It was observed from the Table 1 that, majority of the respondents expressed that insufficient loan amount (94.00%) followed by repayment is difficult, since farmers not getting good rates for their produce (87.00%), repayment period is not sufficient (82.00%), no technical guidance (63.00%), not providing complete loan amount (55.00%), influence is required to get crop loan sanction (48.00%), loans disbursement is not in time (41.00%), and noncooperation from bank staff (36.00%).

The Table 1 revealed that, majority of the respondents faced of insufficiency of crop loan. As the present sanctioned crop loan was not covering cost of cultivations of major crops. Farmer borrowers felt that present interest rate for crop loan was higher because most of the farmers were small and marginal farmers with low income. Respondents face problem with not getting complete loan amount from societies they joined. The crop loan is being given to the people who are from affluent section or close to the top level officer of district administration.

Table 1. Constraints experienced by the respondents while obtaining and utilization of crop loan

| Sl. No | Constraints | Respondents (n =100) | | |
|--------|--|----------------------|----------------|------|
| | | Frequency | Percentage (%) | Rank |
| 1. | Insufficient loan amount | 94 | 94.00 | I |
| 2. | Repayment is difficult, since farmers not getting good rates for their produce | 87 | 87.00 | II |
| 3. | Repayment period is not sufficient | 82 | 82.00 | III |
| 4. | No technical guidance | 63 | 63.00 | IV |
| 5. | Not providing complete loan amount | 55 | 55.00 | V |
| 6. | Influence is required to get crop loan sanction | 48 | 48.00 | VI |
| 7. | Non-cooperation from bank staff | 36 | 36.00 | VII |

Respondents face problem with bank staff in getting exact procedure of taking loan, type of insurance linkage, authorized loan amount for different crop and how best the crop loan can be used for the intended purpose.

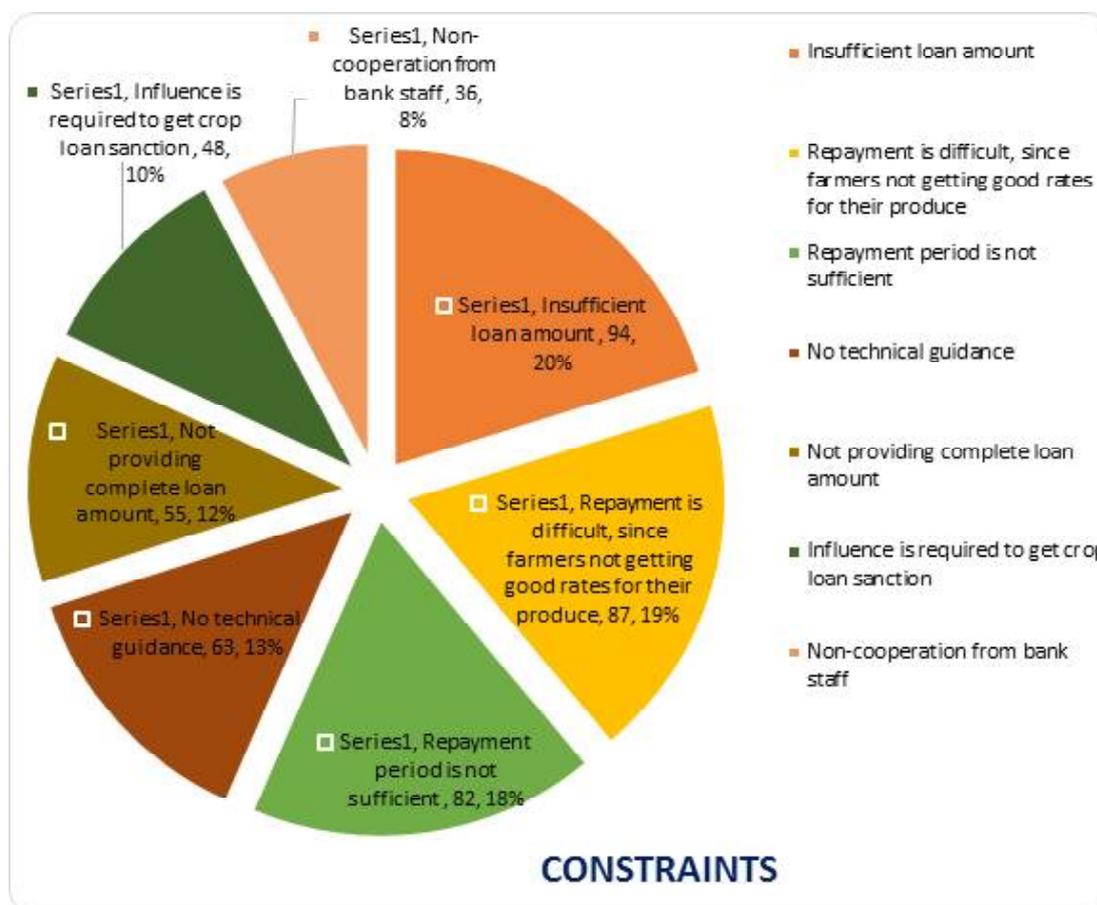
Suggestions Given by the Farmers who Borrowed the Crop Loan

Suggestions elicited by the farmers to overcome their constraints while obtaining and utilization of crop loan

An attempt was made to collect the suggestions to overcome those constraints based on the farmer’s opinion

at obtaining crop loan and also utilization of the same, presented in the Table 2

Table 2 indicated that the, loan amount should be enhanced in according to their land value. (96.00), repayment period should be enhanced (89.00%), reduce interest rates for late repayment (77.00%),provide complete crop loan amount (64.00%),if crop failures, the recovery of loan period should be extend (45.00%),provide technical guidance (32.00%), flexibility in the number of withdrawals (26.00%),co-operation from bank staff (22.00%).



Distribution of the respondents according to their constraints reported while obtaining and utilization of crop loan

Table 2. Suggestions elicited by the farmers to overcome their constraints while obtaining and utilization of crop loan

| S | Suggestions | Respondents (n =100) | | |
|---|--|----------------------|----------------|------|
| | | Frequency | Percentage (%) | Rank |
| o | Loan amount should be enhanced in according to their land value. | 96 | 96.00 | I |
| | Repayment period should be enhanced | 89 | 89.00 | II |
| | Reduce interest rate for late repayment | 77 | 77.00 | III |
| | Provide complete crop loan amount without deducting share. | 64 | 64 | IV |
| | If crop failures, the recovery of loan period should be extend | 45 | 45.00 | V |
| | Provide guidance | 32 | 32.00 | VI |
| | Flexibility in the number of withdrawals | 26 | 16.25 | VII |
| | Co-operation from bank staff | 22 | 22.00 | VIII |

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