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Research Article

PATTERN OF UTILIZATION OF AGRICULTURAL CREDITS AMONG KCC CREDIT HOLDING FARMERS OF ALLAHABAD DISTRICT, U.P

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ABSTRACT

The agricultural loans have to help farmers for purchase of high yielding inputs as well farm equipments, pumping sets, farm reconstructions for other enterprises like fisheries, poultry dairy etc. Thus, the present study was undertaken to analyse the utilization and mis-utilization of agriculture crop as well farm loans by different categories of farmers.

Multistage sampling technique was adopted for the selection of sample farmers viz. 48 large farmers 42 medium farmers and 30 small farmers who had availed agriculture crop loan from each commercial (SBI). Thus, the total sample size consisted of 120 farmers. The technique of tabular presentation includes percentages and averages were used to estimate the extent of utilisation and diversion of agriculture crop and term loan.

The average amount utilized for the said purpose by medium farmer was 96.50 % followed by large farmers was noticed around 96.19 per cent which was found to be higher as compared to small farmers (93.64%) borrowed from commercial banks as crop loan. In the case of mis-utilization of credits, daughters' marriage is major cause of mis-utilization of credit where follows trend of highest in medium then in large then in small farmers' group.

INTRODUCTION

India is an agricultural country with more than 60% of its population is directly or indirectly involved in farm business and since an average Indian farmer is a poor cultivator having his unit of land below one hectare, he always lives in a state of dilemma for the agricultural production in his field due to various uncertainties of weather and other financial constrains faced by him. Agriculture provides raw material to various industries and has a potential to earn foreign exchange. The development of agriculture mainly depends upon the value of inputs and the proper utilization of the inputs in farm productivity by the farmers and through proper adoption of improved technology. The farmer is always in need of working capital and operating capital that is cash in hand for improved farming. The normal saving pattern of the Indian farmer is such that he cannot earn any capital gain on his investment in the farm. Credit thus has become a highly essential aspect for mobilizing agricultural development and breaking the vicious circle of poverty and inefficient productivity.

There are various financial institutions involve in providing crop as well farm financial assistance under the Indian government through the banking system *viz.*, commercial banks, cooperative banks/societies, land development banks, schedule banks etc. The credit provided through these banks is given in the form of different types of loan schemes like Kisan Gold Card, Krishi Plus etc. which help for the cultivation of crops, purchase of livestock, development of dairy, fisheries, poultry piggery etc industries, development of irrigation and farm mechanization, farm building and infrastructural development etc. In present investigation, efforts have been made to know the profile of loan borrower farmers, loan utilization pattern of borrower farmers and to find out relationship between characteristics of loan borrower farmers and the farm credit utilization pattern

REVIEW OF LITERATURE

Mishra (2005) studied impact of agricultural credit in his study 'Impact of institutional finance on farm income and productivity: A case study of Orissa'. The results revealed that among all the institutional agencies the role of co-operatives was quite commendable having the share of 39.53 % followed by commercial banks (19.83 %) and Regional Rural Banks with 6.91 %. Study also revealed that 20.38 % of the short term credit and 20.55 % of long term credit were diverted for unproductive purpose. Also the increased in yield of borrowing farms was due to use of credit financed inputs.

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Sarkar and Hussain(2010) studied credit utilization pattern of boro rice. The borrowers have spent their loaned money broadly for the agricultural and non-agricultural purposes. It was found in the present study that the borrowers invested credit mainly on five major items. It is apparent that percentage of total loaned money utilized for agricultural purposes was about 44.77 percent comprises 14.43 percent, 1.06 percent. 9.42 percent. 3.19 percent and 16.67 percent for wage of hired human labour, seed/seedlings, manure and fertilizer, insecticides and bearing charge of irrigation water, respectively. It is evident from this study that irrigation is very crucial for Boro rice production. The borrower farmers in study area used about 55.23 percent of their credit for non-agricultural purposes. As, their economic condition was so poor, they used their credit money in some non-agricultural purposes viz., food consumption, purchase of cloth. Educational expenses, medical expenses, repayment of old debt and so on.

Pinakin *et.al* (2014) studied the credit utilization is an important element in agriculture development. The study revealed that due to availability of crop loan the total cropped area of both the categories (marginal and small) of farmers of borrower groups was higher as compared to non-borrower group, also the intensity of cropping was higher that is, 246.77 and 243.83% for marginal and small borrower farms as compared to non-borrower farms.

METHODOLOGY

The study was conducted in the district of Allahabad. It is situated in the south eastern part of the state of Uttar Pradesh which touches the boundary of neighbouring state Madhya Pradesh. There are 20 community development blocks in the district. A stage stratified sampling technique was used for this study. District Allahabad of UP was selected purposively. All the 20 blocks of District Allahabad was arranged in descending order of the agricultural officers. One blocks namely Kaurihar and second blocks namely Jasra as selected purposively.

A complete list of all villages will be obtained from the block development office of the selected block. A sample of 10 villages will be selected randomly from each block. A list of lf the Credit borrowers farmers from selected village were prepared and categories in three group.

Small (below 1 hectare) Medium (1-2 hectare) large (2 hectare above) A sample for this study of 120 KCCs (30 marginal 42 small and 48 large) were selected.

Analytical Techniques

Tabular analysis Tabular analysis was used to work out to find out the cropping pattern of borrower's and non- borrower's farmer's average is a number expressing the central value in a set of data. It is calculated by dividing the sum of the values in the set by their number. Percentage is used for making the simple comparison. For calculating percentage, frequency of particular cell was multiplied by 100 and divided by total no. of observations or respondents in that particular category to which cell belonged. The equation can be put as follows

$$\text{Percentage} = \frac{Given\ amount}{total\ amount} \textbf{ x 100}$$

RESULT AND DISCUSSION

Table 3.1: indicates that, overall loan utilization was 93.64 per cent out of Rs 52710.15 in which maximum investment was done on an average crop loan was utilized 90.03 per cent followed by livestock 98.19 per cent, tubewell/pumping set 98.19 per cent, machine 87.97 per cent, and fish farming 98.37 per cent. The small size group, utilization 94.19 per cent out of which Rs 6694.19, in which maximum investment was done on livestock and machine 100 per cent followed by crop loan 91.93 per cent, tubewell/pumping set 27.20 per cent. The medium size group utilization 96.50 per cent out of which Rs 11231.06, in which Rs 10838.91 in maximum investment was done on livestock and crop loan 100 per cent, tube well/pumping set 99.73 per cent, machine 76.25 per cent, fish farming 79.76 per cent. The large size group utilization 93.64 per cent out of which Rs 52710.15, in which Rs 49358.07 in maximum investment was done on tubewell/pumping set and fish farming 100 per cent, crop loan 84.57 per cent, livestock 63.83 per cent machine 88.26 per cent. Utilization of credit by large size group is better as compared to small and medium size group of farmers. It is observed that tubewell/pumping set loan was fully utilized by both size of holders. While medium and small size group were not fully utilized fish farming loan because of ineffective supervision by the banking official.

Table 3.1 Utilization of credit (Rs)

Purpose wise loan	Farm size of group						Over all total	
	Small		Medium		Large			
	Loan amount	Utilization amount	Loan amount	Utilization amount	Loan amount	Utilization amount	Loan amount	Utilization amount
Crop loan	2086.50	1898.00 (91.93)	3356.40	3356.4 (100.00)	6483.32	5483.32 (84.57)	11926.22	10737.72 (90.03)
Livestock	3032.10	3032.10 (100.00)	4104.30	4104.30 (100.00)	1936.33	1236.00 (63.83)	9072.73	8372.4 (92.28)
Tube well/ pumping set	934.23	734.23 (27.20)	2005.41	2000.00 (99.73)	8410.43	8410.43 (100.00)	11350.07	11144.66 (98.19)
Machine	641.36	641.36 (100.00)	842.23	642.23 (76.25)	7420.10	6549.00 (88.26)	8903.69	7832.59 (87.97)
Fish farming	-	-	922.72	735.98 (79.76)	10534.72	10534.72 (100.00)	11457.44	11270.7 (98.37)
Total	6694.19	6305.69 (94.19)	11231.06	10838.91 (96.50)	34784.9	32213.47 (92.60)	52710.15	49358.07 (93.64)

Value in parentheses denotes percentage

Purpose wise mis-utilization of loan borrowers

Table 3.2 indicates that, small size group borrowers miss-utilization Rs 2566.46 out of in Rs 6694.19 in which 38.96 per cent miss-utilization on daughter's marriage, 30.63 per cent others, and education 30.43 per cent. In case of medium size group beneficiaries miss-utilization Rs 4518.01 out of in 11231.06 in which 66.40 per cent on daughter's marriage, 26.56 per cent education, and 7.03 per cent others. . In case of large size group borrowers miss-utilization Rs 7844.57 out of in 34784.9 in which 50.99 per cent on daughter's marriage, 30.98 per cent education, and 18.02 per cent others. Large farmer's miss- utilization amount was higher than small and medium farmers.

Table 3.2 Purpose wise mis-utilization of loan borrowers (Rs

S. No	Farm size of group	Miss-utilization amount	Purpose for mis-utilization		
			Education	Daughter's marriage	Others
1	Small	2566.46 (100.00)	780.23 (30.43)	1000.00 (38.96)	786.23 (30.63)
2	Medium	4518.01 (100.00)	1200.00 (26.56)	3000.00 (66.40)	318.01 (7.03)
3	Large	7844.57 (100.00)	2430.33 (30.98)	4000.00 (50.99)	1414.24 (18.02)

Value in parentheses denotes percentage

CONCLUSION

When crop loans are concerned the medium farmers are more productive in proper utilization of the loans followed by small and large farmers. But in livestock there is less performances by the loan in large farmers group, the probable reasons behind this regressive performance is the managerial ability of the large farmers.

Whereas the irrigation facilities are less adopted by small farmers since they are more dependent on the rainfall and other sources like canal water system etc. Fish farming is taken by large and medium farmers where they give optimum performance in their loan consumption. Coming to mis-utilization of the farm loans education and daughter's marriage are major obstructions in efficient exploitage of the loan provided by financial institution. Major group which is pulled back in this vicious cycle of inefficient compliance of loans are the medium then small and the large farmers.

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