



A STUDY OF AGRICULTURAL FINANCE WITH SPECIAL REFERENCE TO SELECTED FARMERS IN MAN TALUKA (SATARA)

Patil Vijay Dinkar

Assistant Professor, Department of Economics, D.G. College of Commerce Satara.

ABSTRACT

In agrarian and democratic countries like India, agriculture is the main occupation of the people and animal husbandry is the secondary occupation. More than 70 % of people in India are engaged in agriculture. In the present scenario, modern technology has come to a large extent in the agriculture sector in India. Farmers are using the modern technology available in the present situation to grow those crops on a large scale. In order to grow crops that yield maximum yields, large scale farmers have to procure credit from small farmers. Farmers raise credit through several channels including cooperative societies Primary Agricultural Facility Centers Central Cooperative Banks Regional Rural Development Banks Commercial Banks State Cooperative Banks as well as moneylenders and large farmers. To carry out this research, the researchers have selected Man Taluka of Satara district for research. The researcher has collected the information by conducting direct interviews and visits to the farmers of some selected villages of Man taluka as well as observations. The said research has been done by the researcher through primary data as well as secondary data. Researchers have used Simple Random Sampling method to conduct this research.



KEYWORDS : Agriculture finance, crop, income expenditure, loan, financial condition, farmers, performance etc.

INTRODUCTION

The main subject of the research is to study the loans taken by the farmers in selected villages of Man taluka for agricultural sector and some specific objectives the researcher has studied the agricultural finance in India as well as the agricultural finance in western Maharashtra. The researcher has selected Satara district of western Maharashtra and Man taluka of Satara district for the research, which is heavily borrowed for agriculture sector. Since Man taluka is a drought area, most of the agriculture in this taluka is fallow, so since the farmers are wandering to other villages after the corona period, it has become convenient for him to come to the village and do farming in the current situation. It is better to come to the village and do farming than to end one's life by succumbing too many diseases. Due to this, the farmers of Man taluka have taken loans for farming on a large scale for the last two to three years. Farmers are unable to repay their loans on time as farmers in Man taluka face drought on a large scale. Due to minimal crop production in agriculture, it is not possible for the farmers to repay the loan taken from the bank, so the financing institutions of Man Taluk must provide loans according to the capacity of the farmers. Due to the liberal credit provided by the lending institutions, many farmers have taken up farming on a large scale loan basis, but many farms have been seized by banks due to non-repayment of loans. Although the role of local level banks is important in

the agricultural sector, some banks have closed down due to non-payment of loan installments and non-payment of loan installments by farmers. Due to the wide disparity in credit given to farmers, farmers in many areas with natural resources are seen to have progressed largely from agriculture.

PROBLEMS OF THE STUDY:

In India, the banks and credit societies that provide finance to the agricultural sector have a large impact. Because in the current situation small and medium farmers are not able to farm as they have minimum capital and from the point of view of big farmers small farmers cannot afford to farm. In the current situation, the farmers have to engage in loan farming to meet the needs of their families and their own livelihood as they have to face inflation due to the high inflation. In addition to agriculture, the farmers in large scale access credit in rural areas and expect loan waivers from the government as the farmers become heavily indebted. Many of the banks and credit societies that provide loans to agriculture fail to provide the loan on time, if the farmers give mortgage, the banks and credit societies take over the land and auction it and the farmers become indebted. Raising capital in the form of farm loans does not make it possible for the farmers to meet their own subsistence needs because after a few days the farmers have to sell the farm and meet their own needs. Due to loan farming, the farmers have to face big problems for children's education, health, marriage, construction of dams for agriculture.

OBJECTIVES OF THE STUDY:

Studying the agricultural credit provision of selected farmers in selected villages of Man taluka is the main subject of the research and some specific objectives are given by the researcher as follows.

1. To Study the Agricultural finance of selected farmers.
2. To Study the financial performance of farmers.
3. To study the review of Agricultural finance of selected area.
4. To suggest the remedies.

SIGNIFICANCE OF THE STUDY:

Agriculture has gained an important place in the present modernization in India. Animal husbandry is a secondary occupation as agriculture is the main occupation of people in India. In the current modernization, many youths in India are not getting jobs; so many youths are taking up agriculture business. Many financial institutions benefit from agribusiness. Due to the great inclination of many farmers towards agriculture, the institutions providing loans to agriculture have increased in a big way and many banks also provide large amount of loans. Agriculture has an important place in the current modernization, so the researcher has chosen the subject for research. Member research is very important from the point of view of students, research institutions, colleges, universities, charitable organizations, social work organizations, and individuals in society, farmers, banks, credit unions, and societies. By studying the said subject, all the above factors will benefit from this research and the farmers will also benefit greatly. Banks will study the maner in which loans should be provided to the farmers taking into account their financial situation and also they will benefit from the survey conducted by them for loan recovery. The subject is very important from the point of view of banks, credit institutions, farmer research institutes, researchers, students, because of the study on the farmers who are farming for many reasons.

SCOPE OF THE STUDY:

The researcher has selected Satara District of Western Maharashtra and Man Taluka of Satara District to carry out the research. There are eleven taluka in Satara district and researchers have selected only Man taluka for the research which shows the scope of the research. One of the scope of this research is that the researcher has studied the selected farmers of some selected villages of Man taluka in the context of banks and credit societies providing loans to agriculture. A scope is seen that the researcher has studied 50 farmers from only ten villages out of 105 villages in Man taluka. Because

there are total 105 villages in Man taluka, out of which the researcher has selected only ten villages according to the research method and only 50 farmers have been selected for research.

Period of the Study:

To carry out this research, the researchers have studied the utilization of loans taken for agriculture and the income received in agriculture by selected farmers of Man taluka from 2020 to 2022.

Limitation of the Study:

To conduct this research, the researcher has selected only Man taluka of 11 taluka of Satara district for research. One of the limitations of this research is that out of 105 villages in Man taluka, researchers have selected ten villages and interviewed 50 cash crop farmers. In Man taluka, many farmers have taken credit for agriculture, but on the basis of certain criteria, the researcher has selected 50 farmers and researched that there is a limitation of this research. One of the limitations of this research is that out of many farmers, the researcher has collected information through direct interview and secondary sources of farmers who have provided maximum agricultural credit. Although there are many limitations of the research, it is very necessary to study the supply of credit to farmers for agriculture in the present scenario. Because many farmers have not repaid their loans from bank credit institutions lenders, it is important to study this from the point of view of the future from the perspective of farmer's banks and government banks.

Research Methodology:

In order to study the agricultural debt and future debt of fifty selected farmers of Mana taluka, researchers have collected information through questionnaires, direct interviews and observations in primary researches, while in secondary researches, information has been collected through research papers, articles, journal annual reports, etc.

Data Collection:

In this, the researchers have reviewed the overall financial study of the farmers in Man taluka, who have used the primary resources as well as secondary researches to provide the loan for agriculture, and the researchers have done a detailed analysis as follows.

Primary Data:

In this the researcher has collected the information through direct interview and observations through questionnaire. In this, the researcher has taken a detailed review of the loans taken by the farmers and the repayment as well as the amount borrowed.

Secondary Data:

In this the researcher has collected the information about credit supply to agriculture through secondary sources. Information is collected through serial books, reference books, annual reports, government reports, websites, research papers, articles, journals, government printing libraries.

Research Method:

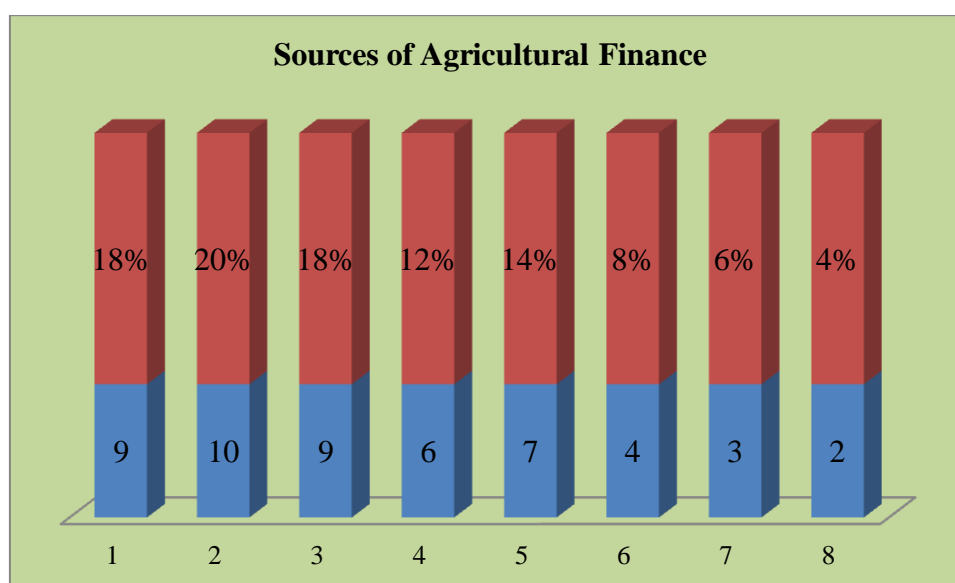
In this, the researcher has studied scientifically to get information about fifty selected farmers of Man taluka. Also the researcher has used simple random sampling method.

RESULTS AND DISCUSSION:

The researcher has used tools like table graphs charts techniques etc. to conduct member research. It involves analyzing and disaggregating information through resources such as statistical data, scientific method techniques, etc.

Table No. 1
Sources of Agricultural Finance

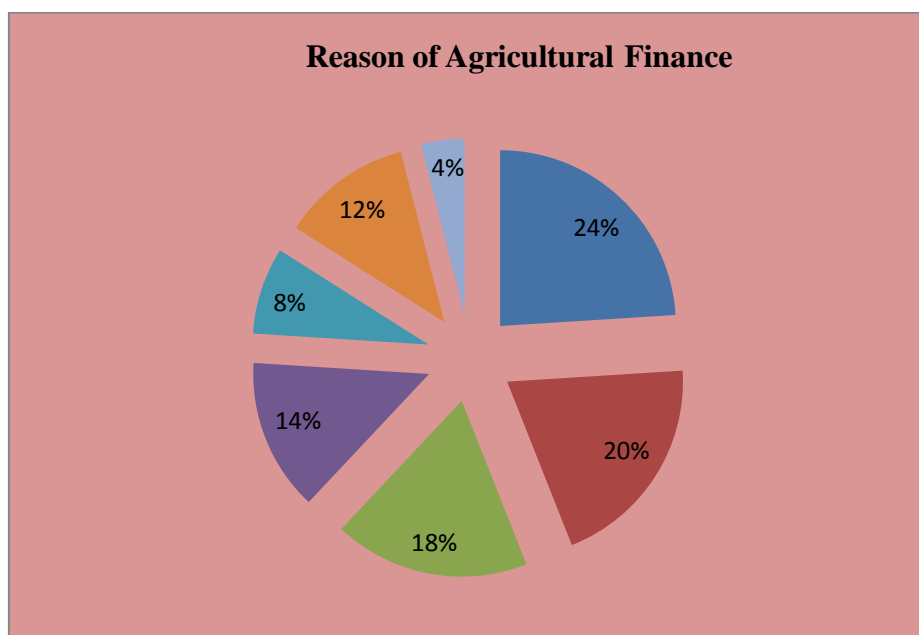
Sources	No. of Respondents	Percentage
Co-operative Societies	9	18 %
Primary Agricultural Credit Society	10	20%
Central Co-operative Banks	9	18 %
Regional Rural Banks	6	12 %
Commercial Banks	7	14 %
State Co-operative Banks	4	8 %
Money Lenders	3	6 %
Landlord and others	2	4 %
Total	50	100



In table No. 1 the selected farmers of Man taluka are classified according to the mode of loan taken for agriculture. In this, 18% farmers have taken loans from cooperative societies while 20% farmers have taken loans from primary agricultural credit institutions. Also 12 % farmers have taken loan from Regional Rural Banks and 8 % farmers have taken loan from State Cooperative Bank. Among the researchers, farmers need to take loans from banks, credit institutions and moneylenders to maximize their income. But the interest rate for loans from moneylenders is high and the interest rate for loans from banks and credit unions is at the rate of 100 % per annum.

Table No. 2
Reason of Agricultural Finance

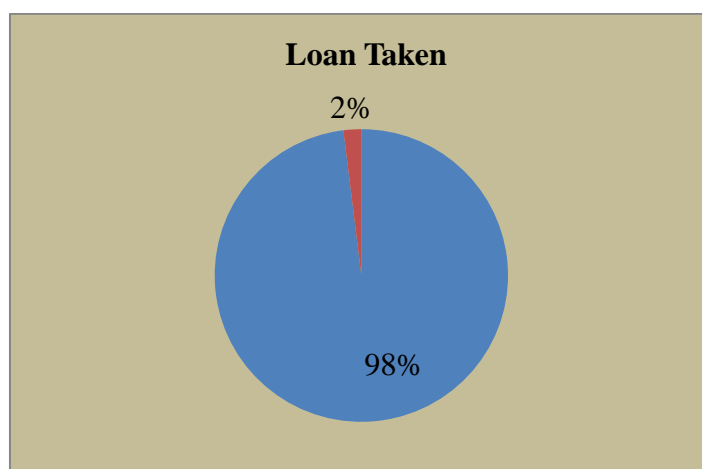
Reason	No. of Respondents	Percentage
Purchase of seeds	12	24 %
Cultivation of agriculture	10	20 %
Enclosing a dam or determining the direction of agriculture	9	18 %
Water system	7	14 %
Sowing the seeds	4	8 %
Storage of agricultural produce	6	12 %
Spraying medicine	2	4 %
Total	50	100



In table No. 2 the farmers are classified according to the purpose for which they have taken loan for agriculture. In this, 24 % of farmers have taken loan to purchase seeds and 20 % of farmers have taken loan to cultivate the farm. 18 % farmers have taken loans for farm enclosures and repairs and 14 % farmers have taken loans for irrigation. 8 % of the farmers have taken loans for sowing seeds and 12 % of farmers have taken loans for storing crops. In this, four % of the farmers have taken loan for spraying the medicine required for agriculture. According to the researcher, this shows that the farmer cannot do modern farming without taking loans in the present modernization.

Table No. 3
Loan Taken

Indicators	No. of Respondents	Percentage
Yes	36	72 %
No	14	28%
Total	50	100



In table No. 3 the farmers of the selected areas of Man taluka are classified according to whether they have taken loan or not. In this 72 % farmers have taken loan for agriculture and 28 % farmers have not taken loan for any reason. According to the researcher maximum farmers have taken loan for farming and least farmers have not taken loan. Because 28% of farmers have not taken loans because they have access to large amounts of capital, the research shows.

Table No. 4
Types of Crop

Crops	No. of Respondents	Percentage
Sorghum millet wheat	10	20 %
sugarcane pomegranate mulberry etc	7	14 %
Pot Tur Hulga etc.	10	20 %
All kinds of fruits	9	18 %
Flower farming	8	16 %
Valuable trees like sandal teak etc.	6	12 %
Total	50	100

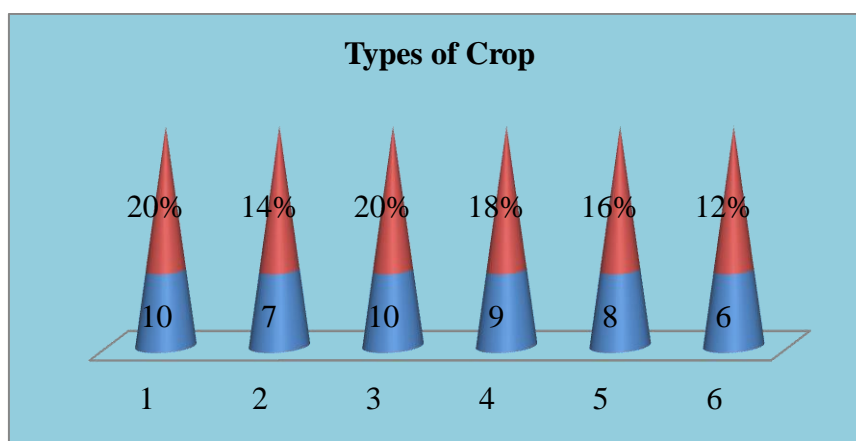


Table No. 4 shows the loan taken by farmers according to the type of crop and classified accordingly. In this, 20 % farmers have taken loan for wheat, millet, sorghum, while 14 % farmers have taken loan for sugarcane and pomegranate mulberry. 20 % of farmers have taken loans for summer crops and 18 % have taken loans for planting all kinds of fruits. 16 % of farmers have taken loan for flower cultivation while 12% farmers have taken loan for plantation of valuable plants like sandal teak in agriculture. This shows that the farmers have taken large amount of loans to carry out traditional farming among the researcher. Farmers have to take loans for modern farming but it is important to repay the loans on time.

Table No. 5
Ratio of Loan Supply

Ratio	No. of Respondents	Percentage
Up to 12,000	7	14 %
Up to 30,000	9	18 %
Up to 50,000	6	12 %
Up to 70,000	4	8 %
Up to 1,00,000	4	8 %

Up to 1,50,000	9	18 %
Up to 2,00,000	7	14 %
Above 2,00,000	4	8 %
Total	50	100

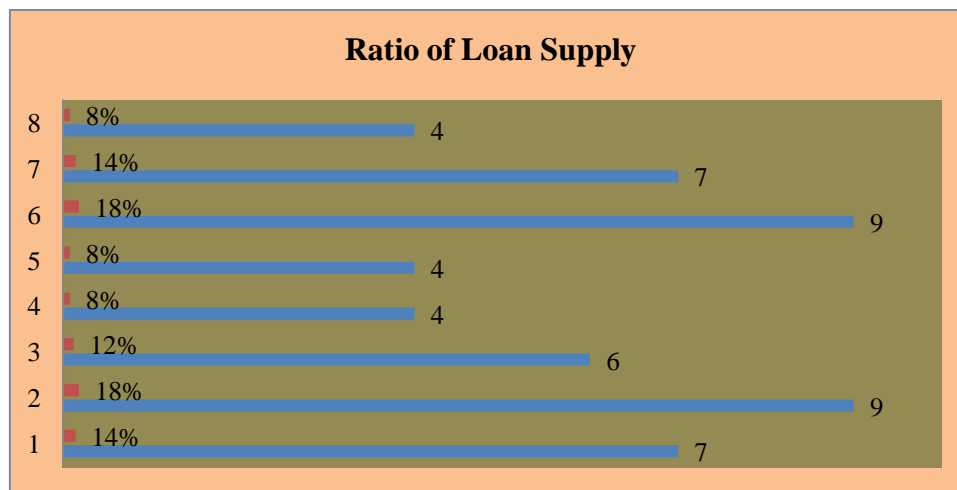
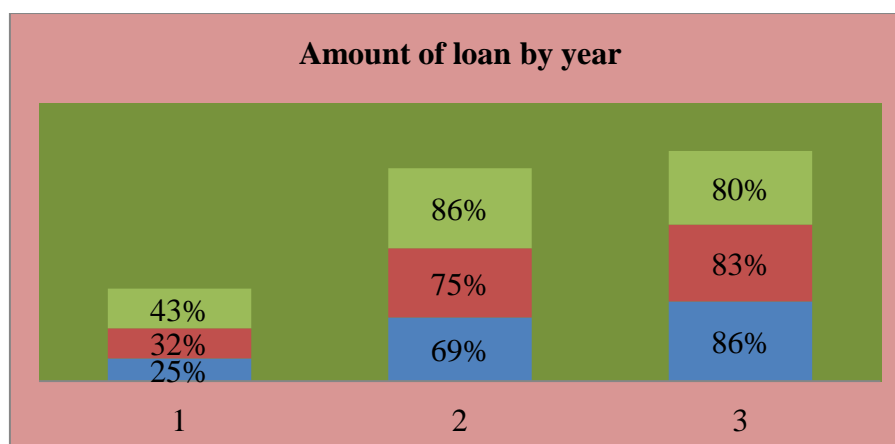


Table No. 5 has classified the quantity of loans taken by farmers. In this, 14% farmers have taken loan up to 12 thousand rupees and 18% farmers have taken loan up to 30 thousand rupees. 12 % farmers have taken loans up to 50 thousand rupees and 8 % farmers have taken loans ranging from 17 thousand rupees to 1 lakh rupees. 18 % farmers have taken loan up to 1 lakh 50 thousand rupees and 14 % farmers have taken loan up to 2 lakh rupees. This shows that 8 % of the farmers have taken loans of more than 2 lakhs and it is not possible to do any kind of farming without loans in the current situation. According to the researcher, this shows that when farmers become members of banks and credit institutions, minimum credit is provided in the initial period and then additional credit is provided. This shows that loans are given to farmers based on the repayment capacity of the farmer.

Table No. 6
Amount of loan by year

Amount of Loan /Year	* 2020	*2021	*2022
Up to 50,000	25 %	69 %	86 %
Up to 1,50,000	32 %	75 %	83 %
Up to 2,00,000	43 %	86 %	80 %

*Up to 31st March



In table No. 6, the farmers have been classified according to the amount of loans taken in the last 3 years. In this, farmers have taken loans in the amount of 25%, 69% and 86% in the period from 2020 to 2022, while some farmers have taken loans up to one and a half lakh rupees in the period from 2020 to 2022; the amount is 32%, 75% and 83%. From this table it can be seen that during the period 2020 to 2022, the proportion of farmers who took loan up to 2 lakh rupees is 43%, 86% and 80%. According to the researcher, the ratio of farmers taking loans ranging from 50 thousand rupees to 2 lakh rupees is more than 50 %, so it can be seen that farmers have taken loans with the view of adding modern business to agriculture in modernization.

Table No. 7
Problems faced by farmers

Sr. No.	Problems	Percentage
1.	Small and large farms do not get their fair share of credit	8 %
2.	There are many documents to go through while applying for a loan.	4 %
3.	Agriculture should be given as credit while availing loan for agriculture.	8 %
4.	Benefit of loan based on agriculture Bank is giving loan while in agriculture.	10 %
5.	Larger amount of credit is provided to cash crops than food crops.	6 %
6.	While providing agricultural loans, minimum amount is given to farmers by banks or credit institutions because some farmers do not repay on time.	4 %
7.	Initially, banks or credit institutions refuse to give loans because the loan repayment amount from the farmers does not go to the bank or society on time.	10 %
8.	Farmers face many problems in growing cash crops like sugarcane and pomegranate due to the extra time it takes to get the loan sanctioned for agriculture.	14 %
9.	Farmers often have to take loans from moneylenders to grow crops that yield more income.	12 %
10.	Farmers with world agriculture sell waste land to improve certain areas and try to earn extra income.	14 %
11.	Farmers get a loan waiver from the government after a certain year but initially the farmers have to pay the loan amount to the bank.	6 %
12.	Big farmers have to deduct the expenses incurred while repaying the loan but small farmers cannot afford to farm.	4 %
Total		100

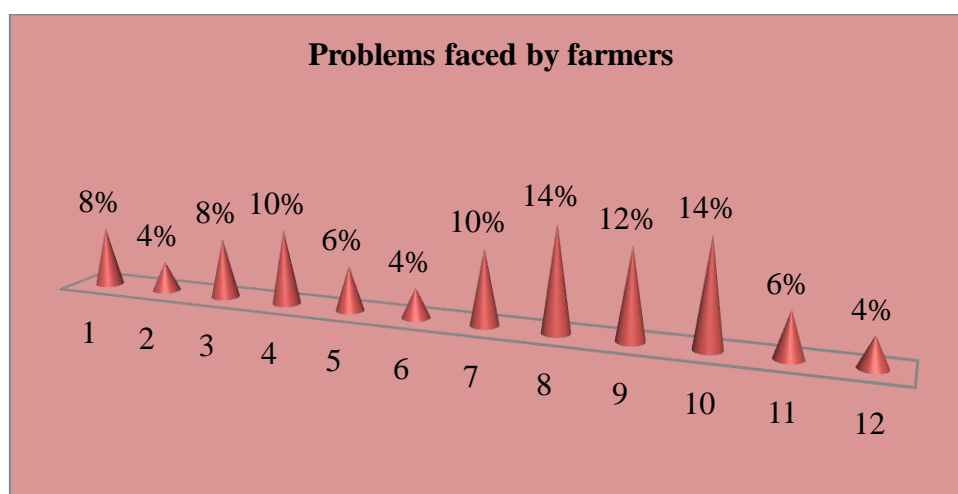


Table No. 7 has classified according to the credit to the agriculture and also according to the problems faced by the farmers. In this, loans are not provided to the farmers from the banks at the right time and some farmers have to juggle many documents. While providing loans for agriculture, agriculture has to be given as collateral, while sometimes while providing loans on the basis of agriculture, banks give crop-wise loans in agriculture. Some farmers are not given loans by banks, credit institutions and moneylenders due to the low repayment rate of the farmers. According to the researcher, one of the major problems in modern farming is that medium and small farmers face a lot of problems in getting loans from banks or credit institutions.

SUGGESTIONS:

1. Banks and Credit Institutions are required to provide loans to farmers on time.
2. Cash crop farmers are required to get loans from banks and credit institutions lenders at low interest rates but borrowing from lenders is illegal.
3. Needy farmers need to take loans from banks and credit institutions for modern farming but taking loans from moneylenders can be a big future problem financially.
4. The loan interest rate taken from moneylenders is determined every month whereas the interest rate taken from banks and credit institutions is at the rate of 100 per cent per annum, so it is advisable to take loans from banks and credit institutions.
5. If banks and credit institutions give loans by visiting the farmers' fields, the banks and credit institutions will not face the trouble of return visits.
6. The executives in the banks and credit institutions disburse loans in a wrong way, so the banks and credit institutions have to be closed due to non-repayment of loans by the farmers.

CONCLUSION:

Small and medium scale farmers in agricultural and developing countries like India have to take huge loans from banks and credit institutions. If the banks and credit institutions provide loans to the farmers by visiting the farms of the farmers, non-repayment by the farmers will stop and the banks and credit institutions will not have to face any kind of financial problems. Small and medium scale farmers in agricultural and developing countries like India have to take huge loans from banks and credit institutions. If the banks and credit institutions provide loans to the farmers by visiting the farms of the farmers, non-repayment by the farmers will stop and the banks and credit institutions will not have to face any kind of financial problems. In the current modernization it is beneficial to practice modern methods of farming but it is very important for banks and credit institutions to visit the farmers and give loans according to the crops in the farm. Managers of banks and credit institutions have been lending large amounts for many years when there is no crop in agriculture, so there is a gap between the trust of banks and credit institutions and the trust of farmers. But once the government has waived off the loans of the farmers but due to this wrong way of allotment of loans by the banks, the government has to take a big part and ultimately protect the interests of the farmers.

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