**INTRODUCTION**

Financial sector plays a vital role in the economic sector development of our country. Our economy is a mixed economy in which both the public and private sector enterprise co-exists. The financial services sector is pre-dominantly composed of public sector banks, development financial institutions, insurance agencies, private and foreign banks and private sector finance companies.

Finance is one of the important aspects in the modern corporate world. It is the pre-requisite for modern business and financial market and institution that the financial system of an economy works. It has been rightly said that business needs money to make more money. However, it is also true that money be gets money, only when it is properly managed. Hence efficient management of every business enterprise is closely linked with efficient management of its finance.

The Bank play many roles in the financial system. It is one of the fundamental issues in theoretical economics and finance. The efficiency of the process through which savings are channelled into productive activities is crucial for growth and general welfare.

Bank is the important institutions that help business activities. The success of trade and commercial activities, to large extend depends upon the availability of finance. Different types of banks facilitate varied financial requirements of business community. Besides helping business community, banks also aims at collecting savings of investing public. These savings are largely utilized for the national economic development.

Bank plays a major role in the economic development of our country. Nationalization of bank helps the overall development of each sector in the community of our country. It helps in the speedy growth in every segment and provides fast development in our country. Banks are the inevitable part of the economy. Banks have played a decisive role in the economic well-being of the nations throughout the world. They are usually called the life blood of modern commercial system.

The banking system is the backbone of the monetary system of the country. lt procures funds from surplus sources in the form of deposits by encouraging savings, channelizes funds in the form of loans and advances to areas of production and services, especially priority sectors like agriculture. housing and industry. It serves as a centre for balancing the economy by pooling funds from surplus areas and distributing them deficit areas. Consequently, the banking system helps in the economic development of a country by correcting economic imbalances.

Modern banking system is recent origin. It came into existence only after industrial revolution. Many financial institutions called joint stock banks were setup after industrial revolution. So joint stock bank or modern banks are recent development. The evolution brought about by the information technology and globalization of trade and commerce and financing resulted in the modern banking which facilitated banking activity round the clock across the world.

**SIGNIFICANCE OF THE STUDY**

In countries like India, where agriculture is the dominant sector of the economy, the level and speed of economic development is determined to a great extent by the growth of the agricultural sector. This sector is composed of small, fragmented and subsistence farming families. Therefore, agricultural growth implies the growth of agricultural productivity from land augmenting technological change and appropriate economic incentives and assistance to these families. In most cases smallholder farmers have limited or no working capital to purchase inputs to improve their productivity and position in the market economy. The availability of farm credit, therefore, becomes a vital component of the modernization of agriculture. In considering this fact the government has extended credit facilities to farming households to narrow the gap between the required and the owned capital to use biological and mechanical technologies.

**STATEMENT OF THE PROBLEM**

In India, mostly farmers depend on the credit facility provided by the banks to sustain their farming business. These credit facilities would help them to buy farm equipment for modernization and for constructing storage units. The farmers required the credit facilities in all stages of agricultural activities. The Indian government provides assistance to solve the financial problems and also facilitate to get the credit easily. Yet, the farmers are facing challenges to obtain credit facilities from the banks. This paper studies about the issues faced by the farmers to obtain the agricultural loans.

**OBJECTIVES OF THE STUDY**

The most important objectives of the study are as follows:

1. To find the disbursement pattern of finance to the agriculturalists.
2. To study the debt of the farmers.
3. To find the mode of utilization of loans and its recovery positions.
4. Identify the problems faced by borrowers in getting agricultural loans.

**SCOPE OF THE STUDY**

As the agricultural sector and the farmers are the vital part of the society, the study and the corresponding findings will be useful for the society. The society in general and the farmers in particular can be well understood in terms of the agricultural finance procedures, schemes and policies.

**RESEARCH DESIGN**

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. Research design is needed because it facilities the smooth sailing of the various research operations, thereby making research as efficient as possible yielding maximal information with minimal expenditure or efforts, time and money. Research design stands for advance planning of the methods to be used in their analysis, keeping in view the objective of the research and the availability of staff, time and money. Preparation of the research design should do with great cares as any error in it may upset the entire project.

**SOURCES OF DATA**

For the present study both primary and secondary data has been used. Primary data required for the study has been collected by using a well-designed interview schedule prepared according to the objectives of the study.

**Sources of primary data**

The primary data required for my study has been collected by using convenience sampling. For this purpose a sample of 200 farmers of Kannur Area. The 50 samples were selected based on the information provided by the District and ease of getting the information.

**Sources of secondary data**

The secondary data has been collected from annual reports, reports of various studies and publications from various books, journals and internet.

**SAMPLE SIZE:**

The sample size for the questionnaire survey will be 50 farmers. The scope of the sample was limited to Kannur Area.

**SAMPLE TECHNIQUE:**

Convenient sampling was used to collect data.

**STATISTICAL TOOLS USED FOR ANALYSIS**

Out of total respondents, respondent who respond logically were taken into account while going into statistical details and analysis of data. The tool that has been used for analyzing data and inferences drawing are mainly statistical tools like percentages

**LIMITATIONS OF THE STUDY**

The study is completed with the following probable limitations:

1. Only one bank is selected to study. So, there is no comparative analysis
2. The scope is limited for Kannur Area.
3. The time available for the purpose is very limited. So, the accuracy of data collection has been affected to a great extent.
4. The farmers insist for giving information. More efforts had to be taken in order to convince them.

**REVIEW OF LITERATURE**

**JADHAV. K.L AND KASAR. D.V (2005)** examined the performance of District Central Co-operative Banks in Maharashtra. They have found that there is need to pay attention to the borrower members, which will lead to increase in the share capital and loan disbursement of agricultural purposes. They have suggested that efforts should be made toenhance deposit mobilization and investment of funds in governmentsecurities and fixed deposits for transparency in financial management.

 **OLIVER BRIGHT. A (2005)** has analysed the role of Kanyakumari District Central Co-operative Bank (KDCCB) in Tsunami Credit. He has observed that DCCBs grant loans and advances to the rural dwellers both for agricultural and non-agricultural purposes. But theinfrastructure aids are totally neglected by them. He has suggested that the DCCBs must identify the investment portfolios for credit plans.

**FULBAG SINGH and BALWINDER SINGH (2006)** examined the profitability of the central co-operative banks in Punjab. They have observed that the implementation of prudential norms from 1996-97 onwards, have helped to generate an awareness for adverse effects ofoverdues / non-performing assets in these banks. They have concluded that the co-operative banks in Punjab have responded to the ongoing financial reforms in a positive manner.

**SUBIPTA GHOSH (2006)** observed that DCCBs were not successful in restricting the level of Non-Performing Assets (NPAs) and the alarming factor was that the quantum of doubtful assets of the banks increased continuously during the study period. She has suggested that banks haveto manage their NPAs more efficiently and effectively so that they can change their character from non-performing assets to performing assets.

**JADHAV, K.L, YADAV, D.B and SHENDAGE, P.N (2007)**examined Credit disbursement of District Central Co-operative Banks (DCCBS) in Maharashtra. The gross cropped area, average rainfall and deposits with the DCCBs were observed to be

**LAKSHMANAN, C and DHARMENDHRAN, A (2007)** studied the impact of Non-Performing Assets (NPAs) on performance variable in Chennai Central Co-operative Bank. They examined performance variables namely, net profit, investment, legal expenses and spread. They observed that the results of NPAs on all the above performance variables were negative and insignificant at 5 % level in all the equation. They concluded that the effective management of NPAs is essential to strengthen the financial position of the bank.

**DARLING SELVI, V (2008)**examines the lending performance of Kanyakumari District Central Co-operative Bank (KDCCB). He observed that the overall growth rate of loan disbursement on short term credit shows a positive growth of 25%. The credit facilities extended by KDCCB are high for services, medium for industries and low for agriculture. He concludes that the overall performance of the KDCCB is good. If the benefits are properly toiled and utilized there will be a bright future for both to the community and to the nation.

**MOHAN. S (2008)** has examined the factors determining the profitability of central co-operative bank. He observes that profitability ratios invite the serious attention of the management to put an integrated effort to correct the financial Performance. He suggests that the bank should expand its banking operations in Such a way that the non-interest income increase substantially in the near future.

**MAYIL MURUGAN, A (2009)** made an Empirical analysis on capital adequacy ratio in Central Co-operative Banks. He observed thatcapital adequacy has reduced the likelihood of failure and increases liquidity of the bank. He has concluded that fulfilling the capital adequacy norm is not at all the problem for the bank for ever.

**SINGH and SINGH (2010),** in their study titled, “Technical and Scale Efficiency in District Central Co-operative Banks of Punjab – A Non-parametric” had attempted to investigate the extent of technical efficiency across 20 DCCBs of Punjab with the help of data envelopmentanalysis. They brought out that size of DCCBs and profits had been affecting the measures of technical efficiency significantly. The study further revealed that DCCBs of Punjab were suffering from the problems of managerial irregularities and improper production scale. Appropriate policy interventions by state government, RBI and NABARD have suggested by the authors.

**THEORETICAL FRAMEWORK**

**BANKING INDUSTRY**

Banking is a service-oriented activity. In India banking system was originated in the first decade of 18th century. The first banks were The General Bank of India which started in 1786 and the Bank of Hindustan both of which are now defunct. Indian banking system comprises of organised and unorganised sector. The organise sector consist of money market, commercial bank, co-operative banks, RRB's etc. Unorganised sector consists of money lenders and indigenous banks; they meet the needs of large number of rural population.

Bank is a financial institution that accepts deposits and channels the money into lending activities. It provides a system for easy transfer of money from one person or business to another. Banking industry has revolutionised the transaction and financial service system worldwide. Due to the development in technology, banking service has become available to the customers at all times, even after normal banking hours, on 24 hours in every day.

**CONSTITUENTS OF INDIAN BANKING SYSTEM**

1. Central bank and monetary authority- Reserve Bank of India.
2. Apex banks.
3. Banking Institutions- Commercial banks. RRB'S and Co-operative banks.
4. Investment institutions- LIC, GIC and UTI.
5. Credit Guarantee Institutions- DICGCL, ECGC.
6. Banking market institutions- District and Finance House of India Limited.

**MEANING AND DEFINITION OF BANK**

History shows that the word bank is derived the German word ‘bank’ which means joint stock fund. Subsequently, it was Italianized into ‘banca’, ‘banque’ and ‘bank’ which means a bench at a marketplace for transactions involving keeping valuables and withdrawing the same as and when required. Though the basic functions of bank are accepting deposits and giving loans, during the changing socio-economic environments of the world, banks performed different functions. Keeping these views, the various definitions and roles of banks were advocated by different writers. Some of the prominent definitions are given below,

In the Banking Regulation Act of 1949, banking is defined as ‘accepting for the purpose of lending or investment of deposits of money from the public repayable on demand or otherwise and withdrawal by cheque, draft, and orders or otherwise’.

According to H. L. Hart, ‘A banker is one who in the ordinary course of his business receives money. Which he pays honouring cheques of persons from whom or on whose accounts he receives it’.

According to Sayers, ‘A bank is an institution whose debts are widely accepted in settlement of other people's debts.’

The Oxford dictionary defines a bank as ‘an organization offering financial services, especially the safekeeping of customer’s money until required, and offering loans at an interest.’

**BANKING SYSTEM IN INDIA**

The Indian banking system plays the role of an effective intermediary by ways of offering services in the firm of mobilization of savings, advancing loans for the economic development of the country, transfer of funds, and other banking services. It is characterized by diversity in ownership and management, extensive branch banking even in rural areas, specialized banks for deposits and investment banking, multi-agency approach, extensive use of information technology, effective regulatory frame work, built-in control systems and ability to withstand any economic upheaval and crises.

The Indian banking system, for the past three decades, has made several significant achievements, the most important being its extensive reach. It is longer confined only to big cities, but in fact, has reached even the remotest corners of India. This is one of the key reasons of India’s economic growth. Since 1969, the policies of the Government of India for the banks have yielded high dividends with nationalization of 14 important private banks. With the advent of information technology, the banking system has also been overhauled. Today, an account holder does not have to wait at the bank counter for long hours in order to issue a draft withdraw money from his own account. Earlier, even the most efficient banks required a minimum of 2 days to transfer money from one branch to another. The customer now has a choice. He can simply walk up to nearest ATM counter any time at his own convenience to withdraw money from his account or call the specialized bank helpline numbers to perform certain transactions.

**CREDIT CO-OPERATIONS IN INDIA**

Co-operative banking structure, which is now a century old, has a unique position in the rural credit delivery system of India. Having made significant strides in the field of rural credit through its short and the long-term structure, it continues to play a vital role in dispensation of commercial banks after nationalization and still continue to enjoy an important place in the rural credit scenario.

The Co-operative credit societies at the grass root level are intended not only to cater to the credit requirement of the members but also to provide several credit linked services like input supply, storage and marketing of products.

Supply consumer goods keeping in view the importance of Cooperative banks and credit societies several committee from all India rural credit survey committee to latest Vydyanadan Committee, have stressed the needs for major role of Co-operative in providing credit and allied services in the rural sector.

**CO-0PERATIVE BANKS IN INDIA**

The Co-operative banks is an important constituent of the Indian Financial System, judging by the role assigned to co-operative, the expectation the co-operative is supposed to fulfil, their number and the number of offices the co-operative bank operate. Though the co-operative movement originated in the west, but the importance of such banks has assumed in India is rarely paralleled anywhere else in the world.

“Co-operative banks are voluntary organisation formed by the members of an area for their mutual benefit based on the principle of self-help through mutual help”. The co-operate bank is established mainly for providing credit and other facilities to farming community. Co-operate banks in India started functioning almost 100 years ago.

The co-operative banks in India play an important role even today in increased financing. The business of co-operative bank in the urban areas also has increased phenomenally in recent years due to the sharp increase in the number of primary co-operative bank. Co-operative banks in India registered under the Cooperative Societies Act. The Co-operative Bank is also regulated by the RBI. They are governed by the Banking Regulations Act, 1949 and Banking Laws (co-operative societies) Act 1965.

Co-operative banks and commercial banks are the two important sectors of Indian banking. The co-operative banks are established mainly for providing credit and other facilities to the farming community. In a country like India where agriculture is the most important occupation of people, the co-operative system assumes greater importance.

The co-operative banks in India are as strong as any other commercial banks. As a result of the strong hold of the co-Operative banks in providing credit needs of the rural people, the rural farmers and the rural community have been freed from the clutches of the private money lenders.

**TYPES OF CO-OPERATIVE BANK:**

* Housing Co-operatives
* Building Co-operatives
* Retailers Co-operatives
* Utility Co-operatives
* Social Co-operatives
* Consumer Co-operatives
* Co-operative Banking
* Agricultural Co-operatives
* Co-operative Wholesale society

Co-operative banks in India finance rural areas under-

* Cattle
* Farming
* Milk
* Hatchery
* Personal finance

Co-operative banks in India finance urban areas under-

* Industries
* Small scale units
* Self-employment
* Consumer finance
* Home finance
* Personal finance

**CO-OPERATIVE MOVEMENTS IN INDIA**

The Co-operative movement in India is basically considered as a vehicle of generating and institutionalizing the unorganized sector agriculture and allied activities. Therefore, by enlarge the functioning of Co-operatives has concentrated in rural areas. The Indian agriculturist had to depend on the money lenders and others who advanced as them money on very high rates of interests for the purpose of seed and manures. In short, the farmers suffering a lot due to the socio-economic condition. When the suffering reached its zenith, the Govt. introduces certain relief measures in order to give agricultural loans to the poor farmers. In 1879 the Govt. introduced Deccan Agricultural Relief Act for relieving the poor farmers from the burden of indebtedness: the Govt had taken action passing by Agriculture Loan Act 1885.These two acts put together are called “Taccavi Laws". But these did not work well.

In 1892 the Govt. of Madras deputed Sir Frederic Nicholson and sent to Europe to study the working of Agriculture Credit Societies & report the possibilities of introducing similar type in India. In this report Mr. Nicholson recommended the formation of Agricultural Credit Societies in the villages on the pattern of "Raiffeisen” Credit Societies of Germany. British Govt. appointed a committee under the chairmanship of Sir Edward in 1901 to imitate preliminary steps for the introduction of legislation. This resulted in enactment of a "Co-operative Credit Societies Act of 1904” The Indian Co-operative movement has passed through five different stages.

Since 1904, the credit sector had made rapid growth because the Act of 1904 focused on credit societies‘ especially primary credit societies. The main objective of the All India Co-operative Societies Act 1904 was to encourage thrift & other persons of limited means. But the capital structure of the society was not improved as much as expected. The main drawback was that there was no provision in Act for the organisation of society other effects & drawback in the Act, the British Govt. was forced to enact another legislation known as the Co-Operative Societies Act 1922 which resulted in starting of many Co-operative Societies for using the term "Co-operative" with their name. Private business organisation using this term were made punished under this Act.

A notable feature in the history of Co-operative movement during 1914 was the appointment of committee on Co-operative under the chairmanship of E. D Malegaon the report on committee served as base in the edifice of Co-operative movement in the country. Co-operatives becomes a provincial subject with the enactment of Montague serves Act. 1919. The Bombay province gives a lead in passing of its Co-operative Societies Act in 1925, which was followed by Madras province in 1932 has commended the progress achieved by the Co-operatives in India.

After independence, Government gives more importance to Co-operative movement in the country in all five-year plan. The Govt. gave active support through the adoption of economic planning. After experiencing different five-year plans, presently the Co-operatives in India gone to every nook & corner of the country and membership. There are more than 135000 credit societies with members of 15.44 crores & 312656 non-societies with membership of 12.15 crores at the end of March 2002.

**CO-OPERATIVE MOVEMENT IN KERALA**

The Kerala state came into existence on 1st November 1956 under geographical area consists of three parts namely the former Travancore. The Cochin princely state and the Malabar region of the Madras province. The three parts had their own Co-operative societies namely

* Cochin Co-operative Society Act, 1913
* Travancore Co-operative Society Act, 1914
* Madras Co-operative Society Act, 1932

The first Co-operative society formed under the Act of Cochin Cooperative Society Act, 1913 was Edavanakkadu. It was a credit society with unlimited liability now it is working as Edavanakkadu Service Co-operative Bank Ltd.

The first Co-operative societies registered under the Travancore Co-operative Societies Act were the Trivandrum Central Co-operative Bank, now functioning as the Kerala State Co-operative Bank.

Travancore & Cochin state was merged into a unified state in 1949. Therefore, Travancore Cochin Co-operative Societies Act was passed in the year 1952. So, the area of operation of Trivandrum Central Bank was extended to the Cochin state and Cochin Central Bank as the subsidiaries of the Travancore Central Bank. At the district level District Co-operative Banks and the Cochin land mortgage were allowed to disburse long term loan.

When Kerala state was newly formed in 15th November 1956 by merging Travancore Cochin state and Malabar area old Madras province, two enactments were in operation namely. Travancore Cochin Co-operative Societies Act 1932. Hence there was a necessity for legislation on whole of the state. So, in 1969 the Kerala Co-operative Societies Act was passed.

The growth of co-operative movement in Kerala was insignificant during pre-independent era. Only 1669 co-operatives were functioning in the State with total working capital of Rs.92.2lakhs. The membership and paid up capital of Rs.2.05 and Rs.31.79lakhs respectively. Credit and non-credit operations during the periodalsowere nominal.

Before the formation of State of Kerala. co-operatives under the area were administered b} the Travancore Co-operative Societies Act V of 1112 (M.E), Cochin Co-operative Societies Act XXVI of 1113 (M.E) And Madras Co-operative Societies Act 1932. After the formation of Kerala State, the Kerala Co-operative Societies Act of 1969 came into force with the effect from 15.5.1969. in order to enact a uniform law on co-operation applicable throughout the state. There after Government of Kerala passed the Kerala Co-operative Societies (Amendment) Act 1999 this came into force with effect from 1.1.2000.

**PROBLEMS OF AGRICULTURAL CREDIT IN INDIA**

Since independence, the institutional agricultural credit structure in India was very poor. In the post-independence period, various attempts were made by the Government for enriching the institutional agricultural credit structure of the country leading to continuous growth in the base and sources of agricultural credit. Both the co-operative sector, commercial banks and rural banks are trying simultaneously for meeting credit requirements of the farmers. Even then, there are number of problems faced by agricultural credit structure of the country which are standing on the path of development of the agricultural sector.

The following are some of these problems:

1. Insufficiency: In spite of expansion of rural credit structure, the volume of rural credit in the country is still insufficient as compared to its growing requirement arising out of increase in prices of agricultural inputs.
2. Inadequate Amount of Sanction: The amount of loan sanctioned to the farmers by the agencies is also very much inadequate for meeting their different aspects of agricultural operations. Considering the amount of loan sanctioned as inadequate and insignificant, the farmers often divert such loan for unproductive purposes and thereby dilute the very purpose of such loan.
3. Lesser Attention of Poor Farmers: Rural credit agencies and its schemes have failed to meet the needs of the small and marginal farmers. Thus, lesser attention has been given on the credit needs of the needy farmers whereas the comparatively well-to-do farmers are getting more attention from the credit agencies for their better credit worthiness.
4. Growing Over dues: The problem of over-dues in agricultural credit continues to be an area of concern. The recovery of agricultural advances to various institutions is also not at all satisfactory. In 1997-98, the recovery of agricultural advances of commercial banks, co-operative banks and regional rural banks were 63 per cent, 66 per cent and 57 per cent respectively. Such growing over-dues have also been resulted from poor repaying capacity of farmers. As a result of that, the credit agencies are becoming wary of granting loan to farmers.
5. Inadequate Institutional Coverage: In India, the institutional credit arrangement continues to be inadequate as compared to its growing needs. The development of cooperative credit institutions like Primary agricultural credit societies, land development banks, commercial banks and regional rural banks, have failed to cover the entire rural farmers of the country.
6. Red Tapism: Institutional agricultural-credit is subjected to red-tapism. Credit institutions are still adopting cumbersome rules and formalities for advancing loan to farmers which ultimately force the farmers to depend more on costly non-institutional sources of credit. Suggestions for Removing Limitations of Agricultural Credit in India: For effective modernisation of agricultural sector and also to stimulate its growth pattern, a broad based and simplified rural credit structure is very much desired and important.

Accordingly, Prof. Darling has rightly observed, “A proper system of agricultural credit will not only lower the rate of interest but also imply a system in which productive loans will gradually replace the unproductive ones.”

Thus, in order to remove limitations and problems of agricultural credit in India the following measures may be suggested:

* To monitor the taccavi loan offered by the Government in a serious manner.
* Co-operative credit societies should be organised to make it efficient and purposeful for delivering the best in terms of rural credit. Moreover, these societies may be transformed into a multi-purpose society with sufficient funding capacity.
* Middlemen existing between credit agencies and borrowers should be eliminated.
* Reserve Bank of India should arrange sufficient fund so that long term loans can be advanced to the farmers.
* Power and activities of the Mahajans and moneylenders should be checked so as to declare an end to the exploitation of farmers.
* The Government should introduce the credit guarantee scheme so as to provide guarantee on behalf of the farmers for getting loans.

**TABLE NO. 4.1**

**GENDER OF THE RESPONDENTS**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage**  |
| Male | 39 | 78 |
| Female | 11 | 22 |
| **Total** | **50** | **100** |

 **Source: Primary data**

**CHART NO. 4.1**

**GENDER OF THE RESPONDENTS**

**INTERPRETATION**

Above table and chart show that 78% of respondents are male and 22% of respondents are female.

**TABLE NO. 4.2**

**AGE OF THE RESPONDENTS**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage**  |
| 20 - 30 | 3 | 6 |
| 30 - 40 | 7 | 14 |
| 40 - 50 | 14 | 28 |
| Above 50 | 26 | 52 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.2**

**AGE OF THE RESPONDENTS**

**INTERPRETATION**

Above table and chart shows that 52% of the respondents are in the age of above 50 years, 28% of the respondents are the age of 40-50 years, 14% of the respondents are in the age of 30-40 years and 6% of the respondents are in the age of 20-30 years in the classification of age o f respondents.

**TABLE NO. 4.3**

**MARITAL STATUS OF RESPONDENTS**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage**  |
| Married | 42 | 84 |
| Unmarried | 8 | 16 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.3**

**MARITAL STATUS OF RESPONDENTS**

**INTERPRETATION**

Above table and chart shows that 84% of the respondents are married and 16% of the respondents are unmarried.

**TABLE NO. 4. 4**

**EDUCATIONAL QUALIFICATION OF RESPONDENTS**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage**  |
| Upto 12th | 35 | 70 |
| Degree/ Diploma | 9 | 18 |
| Post-Graduation | 4 | 8 |
| Professional Degree | 2 | 4 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.4**

**EDUCATIONAL QUALIFICATION OF RESPONDENTS**

**INTERPRETATION**

Above table and chart shows that 70% of the respondents are up to 12th standard, 18% of the respondents are graduated or diploma, 8% of the respondents are post graduation and 4% of the respondents are professional degree in education qualification of respondents.

**TABLE NO. 4.5**

**TYPE OF LAND**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage**  |
| Tenant | 15 | 30 |
| Own Land | 31 | 62 |
| Joint Farming | 4 | 8 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.5**

**TYPE OF LAND**

**INTERPRETATION**

Above table shows that 30% of respondents are using tenant land for agriculture, 62% are using own land and 8% of are doing joint farming.

**TABLE NO.4.6**

**SIZE OF LAND**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage**  |
| Below 1 Acre | 19 | 38 |
| 1 - 2 Acre | 26 | 52 |
| 3 - 5 Acre | 2 | 4 |
| 5 Acres And Above | 3 | 6 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.6**

**SIZE OF LAND**

**INTERPRETATION**

Above table and chart show that 38% of respondents have below 1 acre, 52% hold 1 -2 acre land, 4% hold 3 – 5acre land and 6% hold 5 acres and above.

**TABLE NO. 4.7**

**TYPE OF FARMER**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage**  |
| Marginal Farmer | 13 | 26 |
| Small Farmer | 34 | 68 |
| Medium Farmer | 2 | 4 |
| Large Farmer | 1 | 2 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.7**

**TYPE OF FARMER**

**INTERPRETATION**

Above table shows that 26% of respondents are marginal farmer, 68% of respondents are small farmers, 4% are medium farmers and 2% are large farmers.

**TABLE NO. 4.8**

**PURPOSE OF LOAN**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Land Development | 27 | 54 |
| Land Acquisition | 6 | 12 |
| Crop Diversification | 8 | 16 |
| Irrigation Facility | 9 | 18 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.8**

**PURPOSE OF LOAN**

**INTERPRETATION**

Above table and chart shows that 54% of the respondents having the purpose of loan in land development, 18% of the respondents having the purpose of loan in irrigation facility, 16% of the respondents having the purpose of loan in crop diversification and 12% of the respondents having the purpose of loan in land acquisition.

**TABLE NO. 4.9**

**TERM OF LOAN**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Below 2 Years | 4 | 8 |
| 2 - 3 Years | 8 | 16 |
| 3 - 5 Years | 12 | 24 |
| 5 Years And Above | 26 | 52 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.9**

**TERM OF LOAN**

**INTERPRETATION**Above table and chart shows that 52% of the respondents are having loan in 5years and above, 24% of the respondents are loan in 3-5 years, 16% of the respondents are having loan in 2-3 years and 8% of the respondents are having loan in below 2 years.

**TABLE NO. 4.10**

**FARMING EXPERIENCE**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Below 2 Years | 3 | 6 |
| 2 - 4 Years | 9 | 18 |
| 4 - 7 Years | 12 | 24 |
| 7 Years And Above | 26 | 52 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.10**

**FARMING EXPERIENCE**

**INTERPRETATION**Above table and chart shows that 52% of the respondents are having the experience of 7 years and above, 24% of the respondents are having the experience of 4-7 years, 18% of the respondents are having the experience of 2-4 years and 6% of the respondents are having the experience of below 2 years.

**TABLE NO. 4.11**

**BANK PROVIDING FULL SUPPORT TO THE FARMERS**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Strongly Agree | 3 | 6 |
| Agree | 8 | 16 |
| Neutral | 5 | 10 |
| Disagree | 28 | 56 |
| Strongly Disagree | 6 | 12 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.11**

**BANK PROVIDING FULL SUPPORT TO THE FARMERS**

**INTERPRETATION**Above table and chart shows that 56% of the respondents disagreed, 16% of the respondents agreed, 12% of the respondents strongly disagreed, 10% of the respondents are neutral and 6% of the respondents strongly agreed in providing bank full support to the farmers.

**TABLE NO. 4. 12**

**BANK EMPLOYEES ARE READY TO GIVE MORAL SUPPORT AND ASSISTANCE**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Strongly Agree | 10 | 20 |
| Agree | 10 | 20 |
| Neutral | 5 | 10 |
| Disagree | 15 | 30 |
| Strongly Disagree | 10 | 20 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.12**

**BANK EMPLOYEES ARE READY TO GIVE MORAL SUPPORT AND ASSISTANCE**

**INTERPRETATION**Above table and chart shows that bank employees are ready to that 30% of the respondents disagreed, 20% of the respondents strongly agreed, agreed and strongly disagreed and 10% of the respondents are neutral in giving moral support and assistance.

**TABLE NO. 4.13**

**THE BANK INTEREST RATE IS AFFORDABLE**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Strongly Agree | 2 | 4 |
| Agree | 7 | 14 |
| Neutral | 27 | 54 |
| Disagree | 8 | 16 |
| Strongly Disagree | 6 | 12 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.13**

**THE BANK INTEREST RATE IS AFFORDABLE**

**INTERPRETATION**Above table and chart shows that 54% of the respondents are neutral, 16% of the respondents disagreed, 14% of the respondents agreed, 12% of the respondents strongly disagreed and 4% of the respondents strongly agreed in banking interest rate.

**TABLE NO. 4.14**

**THE BANK HAS CUSTOMER FRIENDLY CREDIT PROCEDURE**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Strongly Agree | 6 | 12 |
| Agree | 8 | 16 |
| Neutral | 4 | 8 |
| Disagree | 30 | 60 |
| Strongly Disagree | 2 | 4 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.14**

**THE BANK HAS CUSTOMER FRIENDLY CREDIT PROCEDURE**

**INTERPRETATION**Above table and chart shows that 60% of the respondents disagreed, 16% of the respondents agreed, 12% of the respondents strongly agreed, 8% of the respondents are neutral, and 4% of the respondents strongly disagreed having customer friendly credit procedure.

**TABLE NO. 4.15**

**LOAN MARGIN IS SATISFACTORY**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Strongly Agree | 6 | 12 |
| Agree | 5 | 10 |
| Neutral | 8 | 16 |
| Disagree | 29 | 58 |
| Strongly Disagree | 2 | 4 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.15**

**LOAN MARGIN IS SATISFACTORY**

**INTERPRETATION**Above table and chart shows that 58% of the respondents disagreed, 16% of the respondents are neutral, 12% of the respondents strongly agreed, 10% of the respondents agreed and 4% of the respondents strongly disagreed in satisfaction of loan margin.

**TABLE NO. 4.16**

**THE CREDIT LIMIT IS ENOUGH TO MEET THE REQUIREMENTS**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Strongly Agree | 5 | 10 |
| Agree | 9 | 18 |
| Neutral | 13 | 26 |
| Disagree | 21 | 42 |
| Strongly Disagree | 2 | 4 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.16**

**THE CREDIT LIMIT IS ENOUGH TO MEET THE REQUIREMENTS**

**INTERPRETATION**Above table and chart shows that 42% of the respondents disagreed, 26% of the respondents are neutral, 18% of the respondents agreed, 10% of the respondents agreed, 4% of the respondents strongly disagreed having credit limit is enough to meet the requirements.

**TABLE NO. 4.17**

**THE BANK IS FOLLOWING GOVERNMENT RULES**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Strongly Agree | 28 | 56 |
| Agree | 13 | 26 |
| Neutral | 7 | 14 |
| Disagree | 2 | 4 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.17**

**THE BANK IS FOLLOWING GOVERNMENT RULES**

**INTERPRETATION**Above table and chart shows that 56% of the respondents strongly agreed, 26% of the respondents agreed, 14% of the respondents are neutral and 4% of the respondents disagreed in government rules in the bank.

**TABLE NO. 4.18**

**THE BANK IS READY TO PROVIDE LOAN WITH MINIMUM MORTGAGE**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Strongly Agree | 8 | 16 |
| Agree | 14 | 28 |
| Neutral | 24 | 48 |
| Disagree | 2 | 4 |
| Strongly Disagree | 2 | 4 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.18**

**THE BANK IS READY TO PROVIDE LOAN WITH MINIMUM MORTGAGE**

**INTERPRETATION**Above table and chart shows that 48% of the respondents are neutral, 28% of the respondents agreed, 16% of the respondents strongly agreed, and 4% of the respondents strongly disagreed and disagreed in bank providing loan with minimum mortgage.

**TABLE NO. 4.19**

**DOCUMENTATION PROCESSES ARE LEAST COMPLEX**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Strongly Agree | 7 | 14 |
| Agree | 10 | 20 |
| Neutral | 4 | 8 |
| Disagree | 21 | 42 |
| Strongly Disagree | 8 | 16 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.19**

**DOCUMENTATION PROCESSES ARE LEAST COMPLEX**

**INTERPRETATION**Above table and chart shows that 42% of the respondents disagreed, 20% of the respondents agreed, 16% of the respondents strongly disagreed, 14% of the respondents strongly agreed and 8% of the respondents are neutral in documentation processes.

**TABLE NO. 4.20**

**ENOUGH PROPERTY TO PLEDGE FOR RAISING LOANS**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of respondents** | **Percentage** |
| Strongly Agree | 5 | 10 |
| Agree | 7 | 14 |
| Neutral | 4 | 8 |
| Disagree | 5 | 10 |
| Strongly Disagree | 29 | 58 |
| **Total** | **50** | **100** |

**Source: Primary data**

**CHART NO. 4.20**

**ENOUGH PROPERTY TO PLEDGE FOR RAISING LOANS**

**INTERPRETATION**Above table and chart shows that 58% of the respondents strongly disagreed, 14% of the respondents agreed, 10% of the respondents strongly agreed and disagreed, and 8% of the respondents are neutral having enough property to pledge for raising loans.

**FINDINGS**

1. Gender wise classification of respondents show that 78% of respondents are male
2. From the age wise classification it is observed that majority of respondents are above 50 years old
3. Marital status of respondents show that 84% of respondents are married
4. Qualification of respondents show that 70% of respondents have up to 12th
5. 62% of respondents are using own land for agriculture
6. 52% of respondents hold 1 - 2 acre land
7. 68% of respondents are small farmers
8. 54% of respondents took the loan for land development purpose
9. 52% of respondent’s term of loan is for 5 years and above
10. 52% of respondents have 7 years and above farming experience
11. 56% of respondents disagreed that bank provides full support to the farmers
12. 30% of respondents disagreed that bank employees are ready to give moral support and assistance
13. 54% of respondents are neutral with the statement that bank interest rate is affordable
14. 60% of respondents disagreed that bank has customer friendly credit procedure
15. 58% of respondents disagreed that loan margin is satisfactory
16. 26% of respondents disagreed that the credit limit is enough to meet the requirements
17. 56% of respondents strongly agreed that bank following government rules
18. 48% of respondents are neutral with the statement that bank is ready to provide loan with minimum mortgage.
19. 42% of respondents disagreed that documentation processes are least complex
20. 58% of respondents strongly disagreed that they have enough property to pledge for raising loans.

**SUGGESTIONS**

* The bank should avoid the delay in sanctioning and disbursement of the loan to farmers
* The bank should give facilities to the farmers like storage, cold storage facilities for fruits and vegetables, marketing etc. and these facilities should be provided to the farmers
* The rate of interest of borrowing should be decreased in case of marginal and small farmers, so as to reduce the interest burden on them
* Camps should be organized by the banks and promote the borrowers to repay promptly
* Amount of loan provided by the banks are not sufficient. Therefore it is suggested that bank may supply adequate and timely finance to the deserving farmers
* Taking more time to process the credit loan is the highest impact to access the agriculture credit smoothly. To tackle these, the financial institution should provide the loan on time to farmers on their needy time

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**CONCLUSION**

Indian agricultural activities depend largely on credit. Generally farmers are very poor. They have to use the modern technology it is only possible when they have adequate fiancé. So, farmers have to depend on borrowed funds. Many steps are taken by the government from time to time to provide the financial facilities to the farmers through cooperatives, commercial banks and regional rural banks. The growth of agricultural finance indicates that there is a positive and significant shift from non institutional finance to institutional finance. The cooperative societies and commercial banks are playing a very significant in development for agriculture. The importance of farm credit as a critical input to agriculture is reinforced by the unique role of Indian agriculture as the macroeconomic frame work and its role in poverty alleviation. The Government and Reserve Bank of India have played a vital role increasing a broad based institutional financial frame work for catering to the increasing credit requirement of the sector, in the post independence era.

The root cause of many agricultural issues is inadequate creditability. In financing, creditability has a significant role and influence in production, marketing, and other agrarian activity. Thus, the credit accessibility research is a necessity for the sustainable development and enhancement in the agricultural field. This research explores the credit accessibility constraints faced by the farmers in Kannur Area.

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**WEBSITES**

* https://www.bankbazaar.com/home-loan/types-of-agricultural-loans-in-india.html

**QUESTIONNAIRE**

1. Gender
2. Male
3. Female
4. Transgender
5. Age (in years)
6. 20-30
7. 30-40
8. 40-50
9. Above 50
10. Marital status
11. Married
12. Unmarried
13. Educational qualifications
14. Upto 12th
15. Degree/Diploma
16. Post-graduation
17. Professional degree
18. Type of land
19. Tenant
20. Own land
21. Joint farming
22. Size of land
23. Below 1 acre
24. 1-2 acres
25. 3-5 acres
26. 5 acres and above
27. Type of farmer
28. Marginal farmer
29. Small farmer
30. Medium farmer
31. Large farmer
32. Purpose of loan
33. Land development
34. Land acquisition
35. Crop diversification
36. Irrigation facility
37. Term of loan
38. Below 2 years
39. 2-3 years
40. 3-5 years
41. 5 years and above
42. Farming experience
43. Below 2 years
44. 2-4 years
45. 4-7 years
46. 7 years and above

SA: Strongly Agree A : Agree N : Neutral D : Disagree SD : Strongly Disagree

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Sl. No. | Statement | SA | A | N | D | SD |
| 1 | Bank is providing full support for the farmers. |  |  |  |  |  |
| 2 | Bank employees are ready to give moral support and assistance. |  |  |  |  |  |
| 3 | The bank interest rate is affordable. |  |  |  |  |  |
| 4 | The bank has a customer friendly credit procedure. |  |  |  |  |  |
| 5 | The loan margin is satisfactory. |  |  |  |  |  |
| 6 | The credit limit is enough to meet the requirements. |  |  |  |  |  |
| 7 | The bank is following all government rules. |  |  |  |  |  |
| 8 | The bank is ready to provide loan with minimum mortgage. |  |  |  |  |  |
| 9 | Documentation processes are least complex. |  |  |  |  |  |
| 10 | I have enough property to pledge for raising loans. |  |  |  |  |  |