

CHAPTER IX

Case Study Data Analysis

9.1. Introduction

Sampling procedure refers that process by which we can understand and analyse the entire population depending on few number of events or individuals from where these are selected. This is a time saving and expenditure reducing system by which it can be found greater accuracy of the entire study.

The analysis of the present chapter is based on case study data collected from sample villages of Barpeta district for the purpose of study on agricultural credit. We have purposively selected Barpeta district as a case study area and 270 agriculturists' families and 10 branches of Assam Gramin Vikash Bank and 20 branches of other banking institutions have been selected on the basis of purposive sampling. The main objective of the study is to find out and analyse various issues relating to agricultural credit. Some other relevant information of sample agriculturists' families have also been collected without which perfect study regarding agricultural credit is impossible. In our study, data are collected by purposive sampling method and arranged the data in a tabular form to discuss the issue relating to the present study.

In the study, three clusters of farmers' families have been considered such as category-I including Brahmin, Kalita, Keot, Koch, Kaibartya, Hira etc, and category-II includes Tribals (Bodo) and category-III includes Immigrant Muslims. From each cast 90 families have been selected as sample families. Hence, total $(90+90+90) = 270$ farmers' families have been undertaken from the case study area to collect information regarding various issues relating to Agricultural credit.

9.2: Number of Family Members of Farmers

In our sample survey, the number of family members of the sample farmers' families has been taken in to consideration because the size of a household can directly affect on its socio-economic condition of an agriculturist. The community

wise distribution of family members of sample farmers' family are shown in the table-9.1.

Table- 9.1: Number of Family Members of Farmers

No. of Family Members	No. of Sample Family of Farmers					
	Category-I		Category-II		Category-III	
	No. of Households	Percentage	No. of Households	Percentage	No. of Households	Percentage
Less than 5	38	42.22	30	33.33	32	35.56
5-10	48	53.33	54	60.00	48	53.33
10-15	04	4.45	06	6.67	06	6.67
15 and above	-	-	-	-	04	4.44
Total	90	100	90	100	90	100

Source: Field Survey, 2018

During the period of investigation, it has been found that out of 90 sample category-I (Brahmin, Kalita, Keot, Koch, Kaibartya, Hira etc) farmers' families, 38 families have less than 5 family members, 48 families have the family members in between 5 to 10, 4 families have the family members in between 10 to 15 and there is not any single family of family members 15 and above of category-I farmers' family. In case of 90 sample category-II (tribal) farmers' family, 30 families have less than 5 members, 54 families have the family members in between 5 to 10, 6 families have the family members in between 10 to 15 and there is not any single family of family members 15 and above of tribal community. . In case of 90 sample category-III (immigrant Muslim) farmers' family, 32 families have less than 5 members, 48 families have the family members in between 5 to 10, 6 families have the family members in between 10 to 15 and 4 families have members 15 and above of immigrant Muslim community. The table reveals that among the three clusters farmers' families, category-III (immigrant Muslims) farmers' families have the highest family members and the category-I group have the lowest family members which was shown as 42.22 percent families having less than 5 family members.

Highest family members mean more cost of maintaining family and it reduces living standard and poor economic condition of farmers.

9.3: Dependency Ratio of Farmers

Dependency ratio of a farmers' family affects the economic condition of farmers. Dependent person increases consumption expenditure of a family without producing which reduces saving capacity of a family and ultimately lowers income of the farmers. The number of dependent persons of farmers' families is shown in the table 9.2.

Table-9.2: Number of Dependent Persons of Farmers' Families

No. of Dependent Person	No of Sample Farmers' Family					
	Category-I		Category-II		Category-III	
	No of Household	Percentage	No of Household	Percentage	No of Household	Percentage
0-3	16	17.78	06	6.67	06	6.67
3-6	66	73.33	76	84.44	56	62.22
6-9	06	6.67	08	8.89	20	22.22
9 and above	02	2.22	-	-	08	8.89
Total	90	100	90	100	90	100

Source: Field Survey, 2018.

The table- 9.2 shows that out of 90 category-I farmers, 16 farmers have dependent persons in between 0-3 in their family, 66 farmers have dependent persons in between 3-6, 06 farmers have dependent persons in between 6-9 and 2 farmers have dependent persons 9 and above in their family.

In case of category-II or tribal farmers' families, out of 90 tribal farmers, 6 farmers have dependent persons in between 0-3 in their family, 76 farmers have dependent persons in between 3-6 and 08 farmers have dependent persons in between 6-9 and there is not any tribal farmers' families of having dependent persons 9 and above in their family.

In case of category-III or immigrant Muslim farmers' families, out of 90 farmers, 6 farmers have dependent persons in between 0-3 in their family, 56 farmers have dependent persons in between 3-6, 20 farmers have dependent persons in between 6-9 and 08 tribal farmers' family have dependent persons 9 and above in their family. The study reveals that maximum no. of dependent persons is in between 3-6 in the farmers' families of all communities.

Weighted Arithmetic Mean has been implemented to know the dependency ratio among the three groups of farmers.

$$\text{Weighted Arithmetic Mean, } \bar{X}_w = \frac{\sum WX}{\sum W}$$

Here, \bar{X}_w = Weighted Arithmetic Mean

W = Weights attached to variable values

(Number of households)

X = The variable values (Percentage of households)

$$\begin{aligned} \text{In case of Category-I farmers, Weighted Arithmetic Mean, } \bar{X}_w &= \frac{\sum WX}{\sum W} \\ &= \frac{5168.72}{90} = 57.43 \end{aligned}$$

$$\begin{aligned} \text{In case of Category-II farmers, Weighted Arithmetic Mean, } \bar{X}_w &= \frac{\sum WX}{\sum W} \\ &= \frac{6528.58}{90} = 72.54 \end{aligned}$$

$$\begin{aligned} \text{In case of Category-III farmers, Weighted Arithmetic Mean, } \bar{X}_w &= \frac{\sum WX}{\sum W} \\ &= \frac{4039.86}{90} = 44.89 \end{aligned}$$

On comparing the weighted arithmetic means, it is clear that for category-II farmers, the mean value is the highest and hence, it can be concluded that the dependency ratio is the highest of the category-II farmers

9.4: Educational Qualification of the Sample Farmers

Education is the main indicator of development of a society. It is generally observed that there is an inverse relationship between education and agricultural activities because most of the educated persons are generally engaged in secondary

and tertiary sector rather than primary sector. But, there is a positive correlation existing between education and agricultural credit. Generally, the educated farmers take the opportunity of agricultural credit from banking institutions in comparison to illiterate farmers. The educational qualifications of farmers of all communities are shown in table 9.3.

Table- 9.3: Educational Qualification of the Sample Farmers

Educational Qualifications	No. of Sample Farmers					
	Category I		Category-II		Category-III	
	No. of hhs	Percentage	No. of hhs	Percentage	No. of hhs	Percentage
Illiterate	08	8.89	24	26.67	36	40.00
Below HSLC	34	37.77	30	33.34	30	33.34
HSLC	18	20.00	16	17.78	10	11.11
HS	14	15.56	12	13.33	10	11.11
UG	06	6.67	04	4.44	02	2.22
Graduate	08	8.89	04	4.44	02	2.22
Post-Graduate	02	2.27	Nil	Nil	Nil	Nil
Total	90	100	90	100	90	100

Source: Field Survey, 2018

The table 9.3 shows that category-I farmers have more educational qualification than category-II and category-III group of farmers. Out of 90 category-I farmers, 8 farmers are illiterates, 34 farmers are below HSLC, 18 farmers are HSLC passed, 14 farmers are HS passed, 6 farmers are Under Graduates, 8 farmers are Graduates and 2 farmers are Post Graduates.

In case of category-II or tribal group, out of 90 tribal farmers, 24 farmers are illiterates, 30 farmers are below HSLC, 16 farmers are HSLC passed, 12 farmers are HS passed, 4 farmers are Under Graduates, 4 farmers are Graduates and the farmers having Post Graduate degree is nil in this group.

In case of category-III or immigrant Muslim group, out of 90 farmers, 36 farmers are illiterates, 30 farmers are below HSLC, 10 farmers are HSLC passed, 10

farmers are HS passed, 2 farmers are Under Graduates, 2 farmers are Graduates and Post Graduate degree holder farmer is nil in this group.

The study reveals that 40 percent immigrant farmers are illiterates, 26.67 percent tribal farmers are illiterates and 8.89 percent of category-I farmers are illiterates and 8.89 percent and 2.27 percent farmers are Graduates and Post Graduates respectively. 4.44 percent tribal farmers are Graduates and no one is Post Graduates. 2.22 percent immigrant farmers are Graduates and Post Graduate farmer is nil in this group.

9.5: Age Wise Classification of Sample Farmers

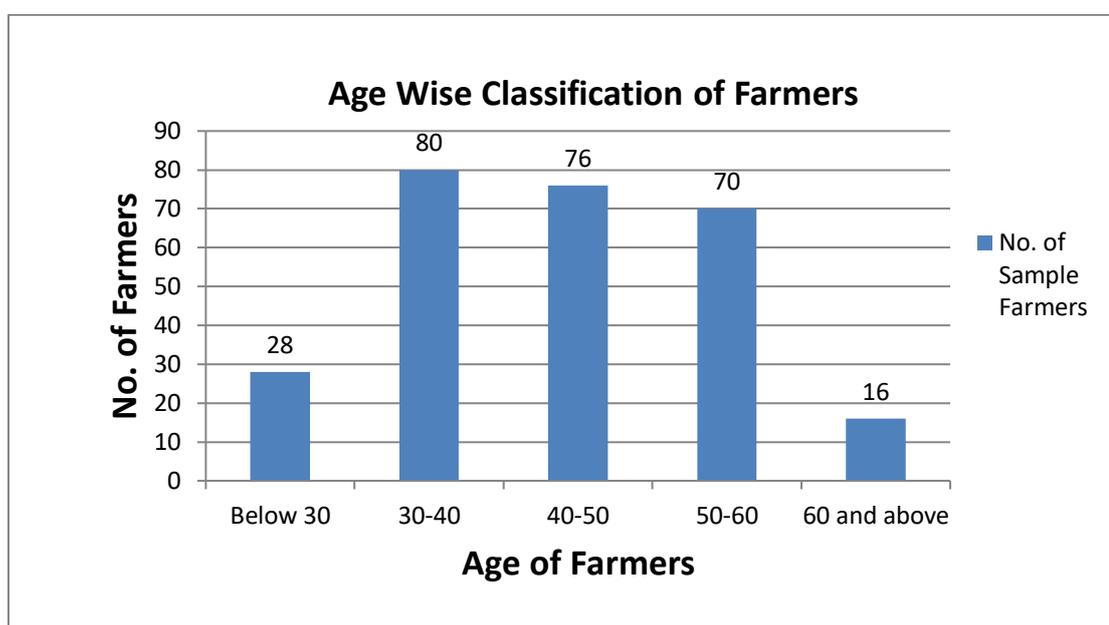
Age is one of the main determinant factors of representing productive capacities of farmers. Lower age and over age workers are unable to do work for a long time with full capacity. The composition of age of sample farmers are shown in table 9.4.

Table- 9.4: Age Wise Classifications of Sample Farmers

Age	No. of Sample Farmers	Percentage
Below 30	28	10.37
30-40	80	29.63
40-50	76	28.15
50-60	70	25.93
60 and above	16	5.92
Total	270	100

Source: Field Survey, 2018

The table 9.4 reveals that out of 270 sample farmers, 28 farmers are below 30 years of age, 80 farmers are between 30 to 40 years of age which age group is the most energetic and young, 76 sample farmers are between 40 to 50 years of age which group is known as elderly mature group, 70 farmers are between 50 to 60 years of age and 16 sample farmers are 60 and above years of age which group is old age group of farmers. The study shows that the highest 29.63 percent of farmers belong to the age group of 30 to 40 years and these age groups of people are known as more productive group.

Figure- 9.1: Age Wise Classification of Sample Farmers

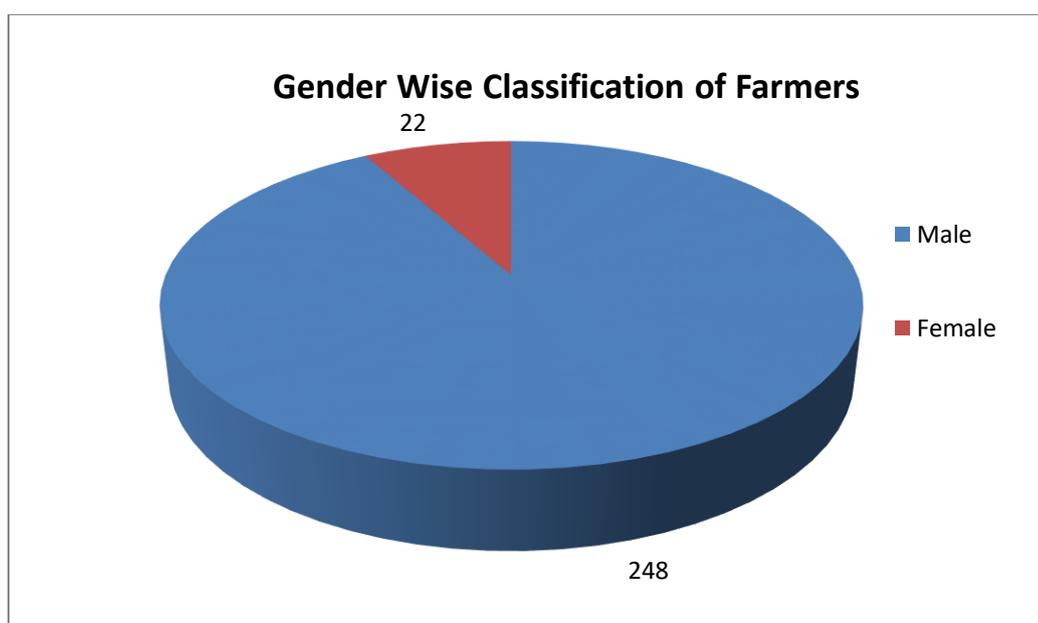
9.6: Gender Wise Classification of Sample Farmers

Males are generally engaged more in agricultural activities than the female. The table 9.5 shows the proportions of male and female farmers are associated with agricultural activities.

Table - 9.5: Gender Wise Classification of Sample Farmers

Gender	No. of Sample Farmers	Percentage
Male	248	91.85
Female	22	8.15
Total	270	100

Source: Field Survey, 2018

Figure- 9.2: Gender Wise Classifications of Farmers

The table 9.5 reveals that out of 270 sample farmers, 248 farmers are males and 22 farmers are females in the study area. It shows that 91.85 percent men and 8.15 percent women are contributing workforce in agricultural activities.

9.7: Marital Status of Farmers

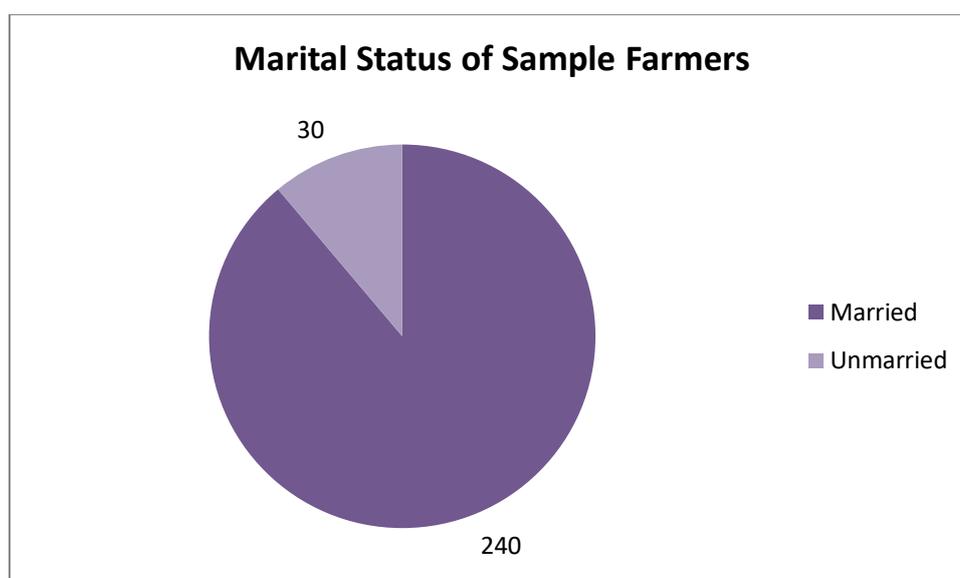
In Indian society, marriage is a social and religious duty for both boys and girls. Both married men and women are more responsible and serious for the improvement of their earning source activities. The following table no 9.6 shows the marital status of sample farmers.

Table- 9.6: Marital Status of Farmers

Marital Status	No. of Sample Farmers	Percentage
Married	240	88.89
Unmarried	30	11.11
Total	270	100

Source: Field Survey, 2018

The study shows that 88.89 percent married persons are associated with agricultural sector and only 11.11 percent unmarried persons are only doing work in agricultural sector.

Figure- 9.3: Marital Statuses of Farmers

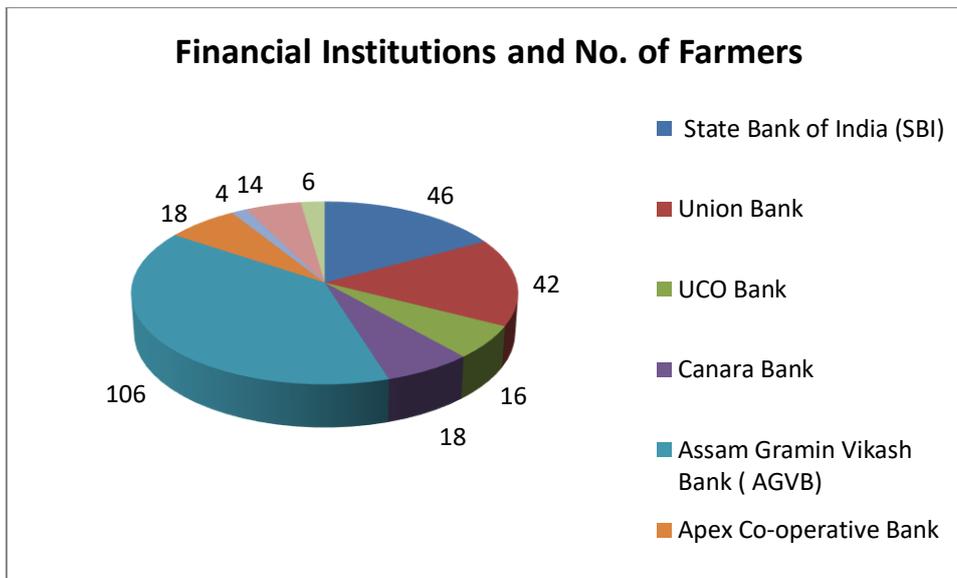
9.8: Institutional Sources of Agricultural Credit

Agricultural credit is an important pre-requisite for the development of agricultural sector. Banking institutions play pivotal role in providing credit for the improvement of agricultural sector. From the field investigation, it has been found that following banking institutions are the main sources of agricultural credit as shown in table 9.7.

Table- 9.7: Institutional Sources of Agricultural Credit

Financial Institutions	No. of Sample Farmers	Percentage
State Bank of India (SBI)	46	17.03
Union Bank	42	15.55
UCO Bank	16	5.93
Canara Bank	18	6.67
Assam Gramin Vikash Bank (AGVB)	106	39.26
Apex Co-operative Bank	18	6.67
Co-operative Society	04	1.48
Bandhan Bank (private sector Bank)	14	5.19
H.D.F.C Bank (private sector Bank)	06	2.22
Total	270	100

Source: Field Survey, 2018

Figure- 9.4: Financial Institutions and No. of Farmers

The table 9.7 reveals that out of 270 sample farmers, 46 sample farmers, i.e. 17.03 percent have received loans from SBI, 42 sample farmers, i.e. 15.55 percent farmers from union Bank and 16 (5.93 percent) sample farmers have taken loans from UCO Bank, 18 (6.67 percent) sample farmers have found to receive credit from Canara Bank, 106 (39.26 percent) sample farmers have received loan from AGVB and 18 (6.67 percent) sample farmers are able to receive loans from Apex Bank and 04 (1.48 percent) sample farmers have taken loans from Co-operative Society, 14 (5.19 percent) farmers from Bandhan bank and 06 (2.22 percent) sample farmers have received loans from HDFC Bank in the study area. From the field investigation, it is found that Assam Gramin Vikash Bank has been playing an important role in providing agricultural credit to farmers which is the first loan provider Bank and the second highest agricultural credit provider Bank is SBI and the third loan provider Bank is Union Bank.

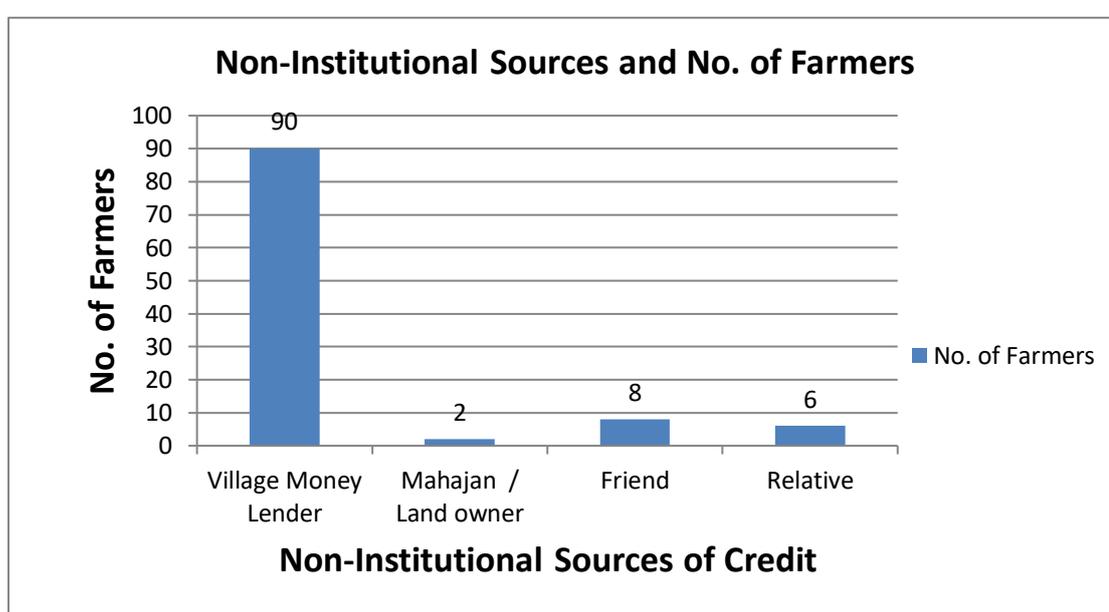
9.9: Non-Institutional Sources of Agricultural Credit

Credit is an important requirement for the development of agricultural sector. Since, banking institutions provide insufficient credit amount, hence, farmers need to take loan from non-institutional sources. Non-institutional sources of credit are more exploitative. The table 9.8 shows that number of farmers have received loan from different non-institutional sources.

Table-9.8: Non-Institutional Sources of Agricultural Credit

Non-Institutional Sources of Agricultural Credit	No. of Farmers	Percentage
Village Money Lender	90	84.90
Mahajan / Land owner	02	1.89
Friend	08	7.55
Relative	06	5.66
Total	106	100

Source: Field Survey,2018

Figure- 9.5: Non-Institutional Sources of Agricultural Credit

The table 9.8 shows that out of 270 sample farmers, 106 farmers have received loan from non-institutional sources in the study area, 90 (84.90 percent) sample farmers have taken loan from village money lender, 2 (1.89 percent) from mahajan or land owner, 8 (7.55 percent) from friend and 6 (5.66) farmers have received loan from relative. The study reveals that 84.90 percent sample farmers have taken loan from village money lender at a very high rate of interest. Hence, till now, non-institutional sources are playing a crucial role in providing loan to agricultural sector.

9.10: Financial Institutional Facilities of Farmers

Financial availability is most important requirement for the socio-economic development of a country. Banking facilities are quite necessary for providing finance to agricultural as well as industrial sector. During the field investigation, it has been found that due to insufficiency of financial institutions in village area, farmers have to borrow fund from non-institutional sources at an exorbitant rate of interest. Table 9.9 shows the banking facilities of farmers in the study area.

Table- 9.9: Financial Facilities of Sample Farmers

Distance of Financial Institution (in Kms)	No. of Farmers	Percentage
0-2	30	11.11
2-4	30	11.11
4-6	60	22.22
6 and above	150	55.56
Total	270	100

Source: Field Survey, 2018

The table 9.9 reveals that out of 270 sample farmers, 30 farmers can avail banking services within the range of 0 to 2 kilometers, another 30 farmers are able to get banking facilities within the range of between 2 to 4 kilometers, again 60 sample farmers need to go between 4 to 6 kilometers to reach banking institution and 150 farmers have to cross the distance of 6 kilometers and above for getting banking facilities in the study area. The study shows that 55.56 percent sample farmers need to go 6 kilometers and above to take the opportunities of banking facilities and 11.11 percent can reach the banking facilities in the distance of between 0 to 2 kilometers.

9.11: Marketing Facilities of Farmers

Market is one of the basic infrastructures for the development of socio-economic condition of farmers. Marketing facilities is very important for the agricultural sector. Farmers can sell their agricultural produces at reasonable prices in proper time. Most of the farmers are bound to sell their agricultural produces at low prices to intermediaries due to lack of marketing facilities in village area or interior places. The table 9.10 shows the marketing facilities available in the study areas.

Table- 9.10: Marketing Facilities of Farmers

Distance of Marketing Facilities (in Kms)	No. of Farmers	Percentage
0-2	30	11.11
2-4	30	11.11
4-6	60	22.22
6-8	60	22.22
8-10	30	11.11
10 and above	60	22.22
Total	270	100

Source: Field Survey, 2018

The table 9.10 reveals that out of 270 sample farmers, 30 (11.11 percent) farmers are getting marketing facilities in a distance of 0 to 2 kilometers, another 30 (11.11 percent) farmers' villages are situated at a distance of 2 to 4 kilometers from market places, 60 (22.22 percent) farmers need to go 4 to 6 kilometers to market, again 60 (22.22 percent) farmers are getting marketing facilities at a distance between 6 to 8 kilometers, again 30 (11.11) sample farmers are able to reach market place in a distance of 8 to 10 kilometers, another 60 (22.22) sample farmers need to go 10 kilometers and above to take part in marketing facilities.

9.12: Classification of Farmers on the Basis of Land Holding

Farmers are classified on the basis of size of landholding. As per agricultural census conducted in 2011 in India, a farmer having the landholding size less than 1 hectare is known as marginal farmer, landholding size in between 1 to 2 hectares is known as small farmer, landholding capacity of a semi-medium farmer is between 2 to 4

hectares, the landholding size between 4 to 10 hectares is known as medium farmer and the landholding size above 10 hectares is known as big farmer. The classification of farmers depending on landholding can be shown in table 9.11.

Table- 9.11: Classification of Farmers

Types of Farmers	Numbers of Sample Farmers					
	Category-I		Category-II		Category-III	
	No. of Households	Percentage	No. of Households	Percentage	No. of Households	Percentage
Marginal Farmers	46	51.11	66	73.33	70	77.78
Small Farmers	26	28.89	14	15.56	11	12.22
Semi-medium Farmers	10	11.11	05	5.56	05	5.56
Medium Farmers	06	6.67	04	4.44	04	4.44
Big Farmers	02	2.22	01	1.11	-	-
Total	90	100	90	100	90	100

Source: Field Survey, 2018

The table 9.11 shows that out of 90 category-I sample farmers, 46 sample farmers are marginal, 26 are small farmers, 10 are semi-medium farmers, 6 are medium and 2 are big farmers.

In case of category-II (tribal) farmers, out of 90 sample farmers, 66 are marginal, 14 are small, 5 are semi-medium, 4 are medium and only 1 is big farmers.

In case of category-III (immigrant class), out of 90 sample farmers, 70 are marginal, 11 are small, 5 are semi-medium and 4 are medium farmers. There is not any big farmer in this group. In the field investigation, it has been found that 51.11 percent of category-I farmers, 73.33 percent of tribal farmers and 77.78 percent of immigrant muslim farmers are marginal. 2.22 percent of category-I farmers and 1.11 percent of tribal farmers are big farmers. In category-III group, a big farmer is nil. During field survey, it was observed that though big farmer is nil in category-III, yet, they produced more agricultural output, especially vegetables and horticulture output

because farmers of this group are more laborious and efficient in agricultural activities.

9.13: Delay in sanctioning of Loan

One of the serious problems of agricultural credit is that farmers are not getting loan in time. During field survey, it was found that 60.74 percent sample farmers were not able to get loan in time. Only 39.26 percent sample farmers received loan in time. The table 9.12 shows the time of advancing loan.

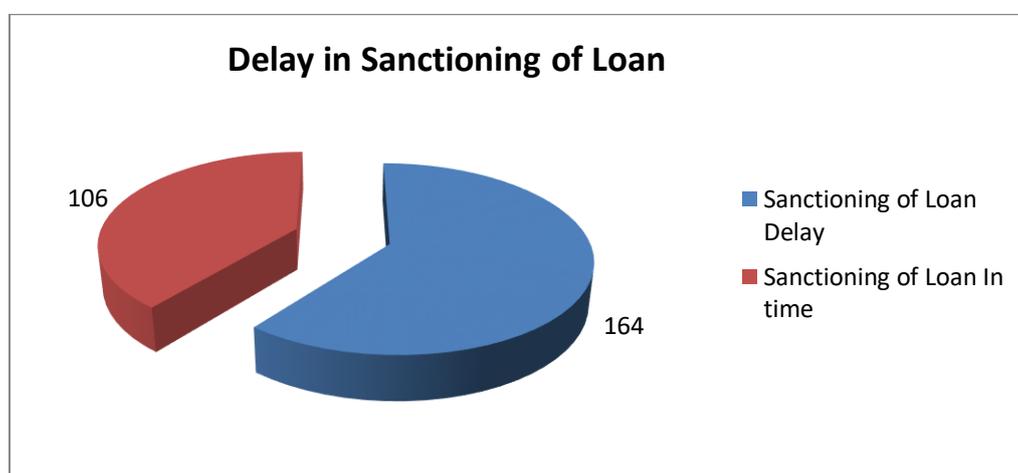
Table- 9.12: Delay in Sanctioning of Loan

Number and Categories of Farmers	Time Required for Sanctioning Loan		Total
	Delay	In Time	
No. of Category-I Farmers	50 (55.56 Percent)	40 (44.44 Percent)	90
No. of Category-II Farmers	56 (62.22 Percent)	34 (37.78 Percent)	90
No. of. Category-III farmers	58 (64.44 Percent)	32 (35.56 Percent)	90
Total	164 (60.74 Percent)	106 (39.26 Percent)	270

Source: Field Survey, 2018

The table 9.12 clearly reveals that out of 270 sample farmers, 164 farmers viewed that there was delay in sanctioning loan for which they could not perform agricultural activities in time. On the other hand, 106 farmers received their loan in time. So the hypothesis delay in sanctioning loan is true.

Figure- 9.6: Delay in Sanctioning of Loan



Chi-square (χ^2) test has been implemented to know the significance differences among different group of farmers regarding delay in sanctioning loan from banks.

In the table-9.12, $v(\text{nu}) = (r-1)(c-1) = (3-1)(2-1) = 2$

Table value of χ^2 for $v(\text{nu}) = 2$ degree of freedom, at 5 percent level of significance is equal to 5.991. ($\chi^2_{0.05} = 5.991$)

Calculated value of $\chi^2 = \sum[(O - E)^2 / E] = 1.61$

The calculated value of chi-square ($\chi^2 = 1.61$) is less than the table value ($\chi^2_{0.05} = 5.991$), at 5 percent level of significance. Hence, a difference among the different categories of farmers is not significant. Majority of farmers opined that there was delay in sanctioning loan. So the hypothesis delay in sanctioning loan is true.

9.14: Causes of Delay in Sanctioning Loan

Delay in disbursement of loan is one of the main hindrances in the development of agricultural sector. During field survey, it was clear that 60.98 percent sample farmers viewed that at the time of sanctioning loan, they were facing the problem of queries on documents. The illiterate farmers had to submit the documents again and again. Again, 14.63 percent viewed that shortage of bank staff is a reason and another 24.39 percent viewed that ill attitude of bank officials is the cause of delay in sanctioning loan. The following table 9.13 shows the causes of delay in sanctioning loan.

Table- 9.13: Causes of Delay in Sanctioning Loan

Causes of Delay in Sanctioning Loan	No. of Farmers	Percent
Shortage of Bank Staff	24	14.63
Queries	100	60.98
Lack of Fund	-	-
Ill Attitude of Bank Official	40	24.39

Source: Field Survey, 2018

The table 9.13 shows that out of 164 sample farmers commented on delay in sanctioning loan, 24 farmers viewed on shortage of bank staff, 100 viewed on queries of document and 40 viewed on ill- attitude of Bank officials were the main causes of

delay in sanctioning loan. Not a single respondent had mentioned the lack of fund as a cause of delay in sanctioning loan.

9.15: Adequacy of Loan Amount

Sufficient supply of credit is necessary to perform agricultural activities in proper way and at proper time. In the field investigation, it was found that 86.30 percent farmers had expressed their opinions that they were getting inadequate amount of credit from financial institutions and only 13.70 percent sample farmers were found receiving sufficient amount of agricultural credit. The table 9.14 shows the availability of loan amount for execution of agricultural activities.

Table- 9.14: Adequacy of Loan Amount

Number and Categories of Farmers	Supply of Credit Amount		Total
	Sufficient	Insufficient	
No. of Category-I Farmers	15 (16.67 percent)	75 (83.33 percent)	90
No. of Category-II Farmers	12 (13.33 percent)	78 (86.67 percent)	90
No. of. Category-III farmers	10 (11.11 percent)	80 (88.89 percent)	90
Total	37 (13.70 percent)	233 (86.30 percent)	270

Source: Field Survey, 2018

The table 9.14 shows that out of 270 sample farmers, 233 farmers had opined that they were receiving insufficient amount of credit for which credit had been utilised in unproductive ways and only 37 farmers were found of getting sufficient amount of credit. Hence, inadequacy of institutional credit amount is one of the serious problems of agricultural credit and the hypothesis insufficiency of credit amount is true.

Chai- square (χ^2) test has been used to test the significance differences among different group of farmers regarding adequacy of sanctioning loan amount from banks.

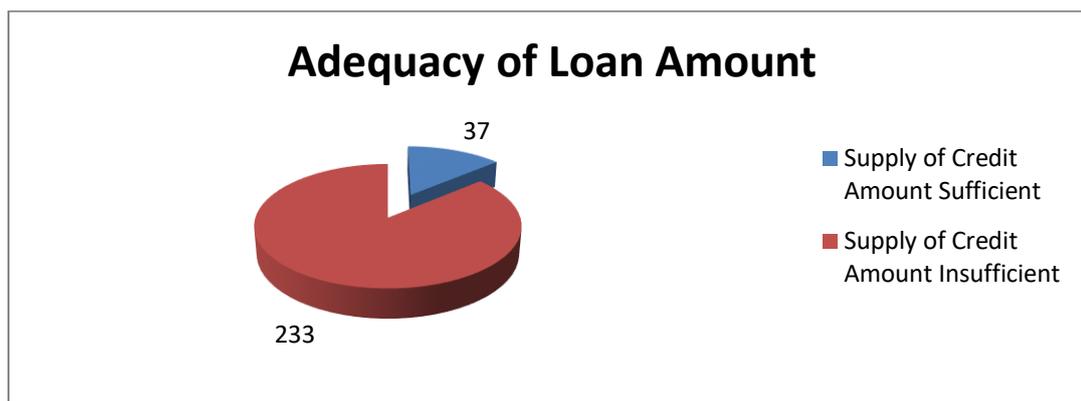
In the table-9.14, $v(\text{nu}) = (r-1)(c-1) = (3-1)(2-1) = 2$

Table value of χ^2 for $v(\text{nu}) = 2$ degree of freedom, at 5 percent level of significance is equal to 5.991. ($\chi^2_{0.05} = 5.991$)

Calculated value of $\chi^2 = \sum [(O - E)^2 / E] = 1.19$

The calculated value of chi-square ($\chi^2 = 1.19$) is less than the table value ($\chi^2_{0.05} = 5.991$), at 5 percent level of significance. Hence, a difference among the different categories of farmers is not significant. Farmers got insufficient amount of agricultural credit from financial institution is true and hence, the hypothesis insufficient agricultural credit is accepted.

Figure- 9.7: Adequacy of Loan Amount



9.16: Services of Banking Institutions of Credit Availed

Properly execution of agricultural credit in agriculture sector is highly depending on services rendered by the bank officials from where farmers avail credit. During field survey, it was observed that 66.67 percent sample farmers were not satisfied on services rendered by the bank official from where they availed credit. Only 33.33 percent sample farmers were satisfied on services of financial institutions. The table 9.15 shows the services of banking institutions during the period of advancing credit.

Table- 9.15: Services of Banking Institutions of Credit Availed

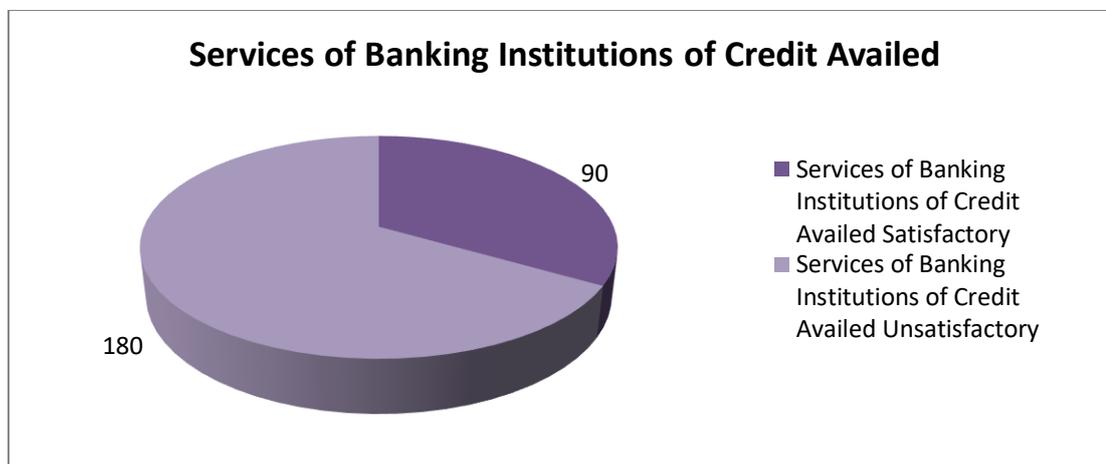
Number and Percent of Sample Farmers	Services of Banking Institutions of Credit Availed		Total
	Satisfactory	Unsatisfactory	
No. of Farmers	90	180	270
Percentage	33.33	66.67	100

Source: Field Survey, 2018

The table 9.15 reveals that out of 270 sample farmers, 180 farmers viewed that they were getting unsatisfactory services of the banking institutions from where they

received agricultural credit and only 90 farmers found satisfactory services from bank officials of credit availed.

Figure-9.8: Services of Banking Institutions of Credit Availed



9.17: Rate of Interest of Agricultural Credit Charged by the Financial Institutions

Rate of interest is one of the determinant factors of agricultural credit. Farmers are not interested to take loan at a high rate of interest. So, the rate of interest should be affordable to farmers. During the period of field investigation, it has been found that 64.81 percent sample farmers expressed their opinions that the rate of interest of agricultural credit charged by the banking institutions is affordable and reasonable and 35.19 percent expressed their views that the rate of interest of agricultural credit is high and unbearable. The table 9.16 shows the rate of interest of agricultural credit charged by the financial institutions.

Table- 9.16: Rate of Interest of Agricultural Credit charged by the Financial Institution

Number and Percentage of Farmers	Rate of Interest is Affordable		Total
	Yes	No	
No. of Farmers	175	95	270
Percentage	64.81	35.19	100

Source: Field Survey, 2018

The table 9.16 reveals that out of 270 sample farmers, 175 farmers express their views that rate of interest of agricultural credit charged by the financial institutions is affordable and 95 opine that the rate of interest of agricultural credit is high.

9.18: Existence of Middle Man in the Process of Disbursement of Agricultural Credit

Another problem of agricultural credit is the existence of middle man in the process of disbursement of agricultural credit. Some illiterate farmers don't know about the banking procedure of agricultural credit and they take help of a middleman and the middleman takes a fee from the borrower which is actually an extra expenditure of farmers in the process of taking loan. In the field survey, it was found that 22.22 percent sample farmers took middleman in the process of taking loan and 77.78 percent were getting loan without any help of middle man. The table 9.17 shows the existence of middleman in the process of disbursement of agricultural credit.

Table-9.17: Existence of Middleman in the Process of Disbursement of Agricultural Credit

Number and Percentage of Farmers	Existence of Middle Man		Total
	Yes	No	
No. of Farmers	60	210	270
Percentage	22.22	77.78	100

Survey: Field Survey, 2018

The table 9.17 shows that out of 270 sample farmers, 60 farmers had taken help of middle man in the process of taking loan and 210 farmers were receiving loan without any helping hand of middle man in the process of taking agricultural credit.

9.19: Payment of Bribe in the Process of Sanctioning Agricultural Credit

Bribery, one of the malpractices, exists in the process of sanctioning agricultural credit. Sometimes illiterate farmers have completed all procedure of loan with the help of brokers or commission agents for which farmers need to pay fees to them and some bank official also demand money from poor farmers. During field survey, it was seen that 18.52 percent of sample farmers made payment to brokers as a bribe for sanctioning loan and 81.48 percent of farmers were found that they were

receiving loan without paid any bribe to brokers The following table no 9.18 shows the payment of bribe in the process of sanctioning loan.

Table - 9.18: Payment of Bribe in the Process of Sanctioning Agricultural Credit

Number and Percentage of Farmers	Payment of Bribe		Total
	Yes	No	
No. of Farmers	50	220	270
Percentage	18.52	81.48	100

Source: Field Survey, 2018

The table 9.18 shows that out of 270 sample farmers, 50 farmers were found that they paid bribe in the process of sanctioning loan and another 220 farmers were getting credit without payment of any bribe.

9.20: Indebtedness of Farmers' Family

Indebtedness is a chronic character of farmers' families. Generally, farmers' families are in a debt trap which is due to lower income. Farmers borrow frequently for a number of reasons such as to purchase domestic implements, agricultural inputs, even to collect their minimum requirement of food and clothing and also to meet some social customs. During field survey, it was found that 55.56 percent sample farmers were already indebted before taking loan from banks and 44.44 percent farmers were free from debt obligation. The table 9.19 shows the indebtedness of farmers.

Table- 9.19: Indebtedness of Farmers

Number and Percentage of Farmers	Indebtedness of Farmers		Total
	Yes	No	
No. of Farmers	150	120	270
Percentage	55.56	44.44	100

Source: Field Survey, 2018

The table 9.19 shows that out of 270 sample farmers, 150 farmers were in indebtedness before taking loan from banks and 120 farmers were found that they were free from debt burden during the time of taking loan from banking institutions.

9.21: Causes of Indebtedness of Farmers' Families

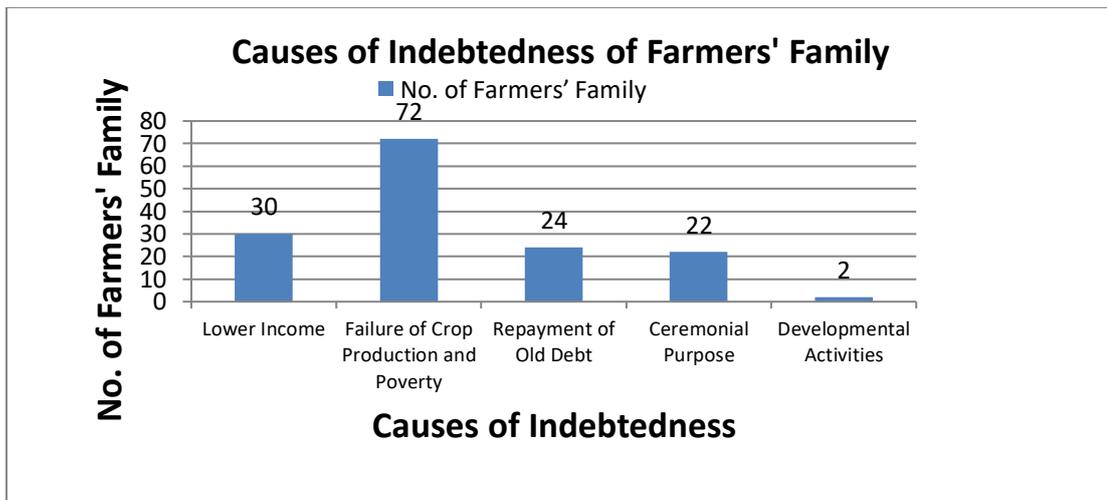
Poverty is the root cause of indebtedness of farmers' families. Lower income of farmers which may be due to lower and irregular production of agricultural sector is another cause of indebtedness of farmers' families. The income levels of farmers are so meagre that they are not able to maintain their daily family expenditure. Hence, they borrow from various sources and ultimately live in a debt trap. The main causes of indebtedness of farmers' families are shown in table 9.20.

Table- 9.20: Causes of Indebtedness of Farmers' Families

Causes of Indebtedness	No. of Farmers' Family	Percentage
Lower Income	30	20.00
Failure of Crop Production and Poverty	72	48.00
Repayment of Old Debt	24	16.00
Ceremonial Purpose	22	14.67
Developmental Activities	02	1.33
Total	150	100

Source: Field survey, 2018

The table 9.20 shows that out of 270 sample farmers, 150 farmers were found in indebtedness. Out of 150 indebted farmers, 30 farmers were living in indebtedness condition due to lower income of farmers' family, 72 farmers on account of poverty as a result of failure of crop production, 24 for repayment of old debt, 22 for ceremonial purposes and only 2 for developmental activities. From the field survey, it was clear that 48 percent farmers were living in a condition of indebtedness due to poverty as a result of failure of crop production.

Figure-9.9: Causes of Indebtedness of Farmers' Familie

It was assumed that indebtedness is caused by several socioeconomic factors like low level of income, crop failure and poverty, repayment of old debt, developmental activities, etc, i.e.

$Y_i = f(\text{Lower income, Failure of crop production and poverty, Repayment of old debt, Ceremonial purpose, Developmental activities})$

Where Y = Indebtedness of i^{th} households

$i = 1-270$ households.

Lower income (X_1): Whether households' income is low or not,
If yes = 1, 0 otherwise, (Here, lower income level household is assumed up to Rs. 1500 per month)

Crop failure and poverty (X_2): Whether the household suffered from crop failure and poverty or not, if yes = 1, 0 otherwise.

(Here, poverty line is measured of Rs. 32 in rural areas and Rs. 47 in urban areas per day income as per Rangarajan committee report set up by the planning commission)

Repayment of old debt (X_3): Whether the household need to repay the old debt or not, if yes = 1, 0 otherwise.

Ceremonial purpose (X_4): Whether the household expenditure on ceremonial purpose or not, if yes = 1, 0 otherwise.

(Here, ceremonial means marriage ceremony and

religious purpose)

Developmental activities (X_5): Whether the household expenditure on socio-economic development activities or not, if yes = 1, 0 otherwise.

So, multiple linear regression analysis was run to explore the significant variable influencing indebtedness of a farmer taking total amount of indebtedness (Rs) as dependent variable. Thus, the multiple regression takes the form:

$$Y_i = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5$$

More specifically

$$Y_i = b_0 + b_1 \text{Lower income} + b_2 \text{Crop failure and poverty} + b_3 \text{Repayment of old debt} + b_4 \text{Ceremonial purpose} + b_5 \text{Developmental activities.}$$

The explanatory variables, their mean, standard deviation and expected influence are presented in the table 9.20(a), 9.20(b), 9.20(c) and 9.20(d)

Table- 9.20(a) Descriptive Statistics					
Variables	Variable detail	Mean	Std. Deviation	N	Expected influence
Lowincome	Lower Income	.1152	.31991	270	+
crop_failure	Failure of Crop Production and Poverty	.2677	.44356	270	+
old_debt	Repayment of Old Debt	.0892	.28559	270	+
ceremonial	Ceremonial Purpose	.0781	.26878	270	+
devt_acvty	Developmental Activities	.0074	.08607	270	+

Overall summary of the regression analysis is presented in the table given below. R Square and Adjusted R square values are found to be 0.784 and 0.780 respectively. The statistically significant value of F shows the overall good fit of the model.

Table-9.20(b): Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.886 ^a	.784	.780	12564.26487	2.041

a. Predictors: (Constant), devt_acvty, ceremonial, old_debt, lowincome, crop_failure

b. Dependent Variable: total_indebt

Table-9.20(c) :ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.510E11	5	3.020E10	191.295	.000 ^a
	Residual	4.152E10	263	1.579E8		
	Total	1.925E11	268			

a. Predictors: (Constant), x5, x4, x3, x1, x2

b. Dependent Variable: y

The coefficient table given below shows that all the explanatory variable has significant influence on the dependent variable with their expected sign of influence.

Thus the result supports the research hypothesis that the poverty is one of the main reasons for indebtedness of farmers.

Table-9.20(d): Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.657E-11	1151.764		.000	1.000
	lowincome	49774.194	2533.544	.594	19.646	.000
	crop_failure	46916.667	1875.919	.776	25.010	.000
	old_debt	44541.667	2811.422	.475	15.843	.000
	ceremonial	51000.000	2973.843	.511	17.150	.000
	devt_acvty	36500.000	8958.624	.117	4.074	.000

a. Dependent Variable: total_indebt

9.22: Visited by the Bank Staff to Encourage and to Observe the Utilizations of Credit Amount

Bank officials should make an enquiry on the proper utilisation of loan amount and borrowers' working place should be visited by the bank staff to encourage them and to observe the progress of project for which farmers take loan. In the field survey, it was found that 81.48 percent farmers' working field was not visited by the bank officials and 18.52 percent farmers were found that their working places were visited by the bank staff. The table 9.21 shows the visited by the bank staff to observe the utilisation of loan amount.

Table- 9.21: Visited by the Bank staff to observe the utilization of credit amount

Number and Percentage of Farmers	Visited by the Bank Staff		Total
	Yes	No	
No. of Farmers	50	220	270
Percentage	18.52	81.48	100

Source: Field Survey, 2018

The table 9.21 reveals that out of 270 sample farmers, 50 farmers' working places were visited by the bank staff and 220 farmers were found that their working places were not visited by the bank staff to observe their working places and to insist them to return their loan amount.

9.23: Borrowing Procedure of Institutional Credit

The borrowing procedure of institutional credit from banking institutions is so complicated that farmers do not like to take loan from banks. The borrowers need to submit various documents, certificates, land record certificated and property mortgage certificate which make the borrowing procedure complicated. This complicated borrowing process of banking institutions is one of the serious problems of agricultural credit. The farmers, particularly illiterate, are not interested to follow the complicated lending procedure of banks and they directly take loan from non-institutional sources at a high rate of interest. During the time of field survey, it was found that 62.96 percent farmers expressed their opinions that the borrowing procedure of institutional credit was complicated and 37.04 percent viewed that

borrowing procedure of agricultural credit was simple. Whether the borrowing procedure of institutional credit is complicated or simple is shown in table 9.22.

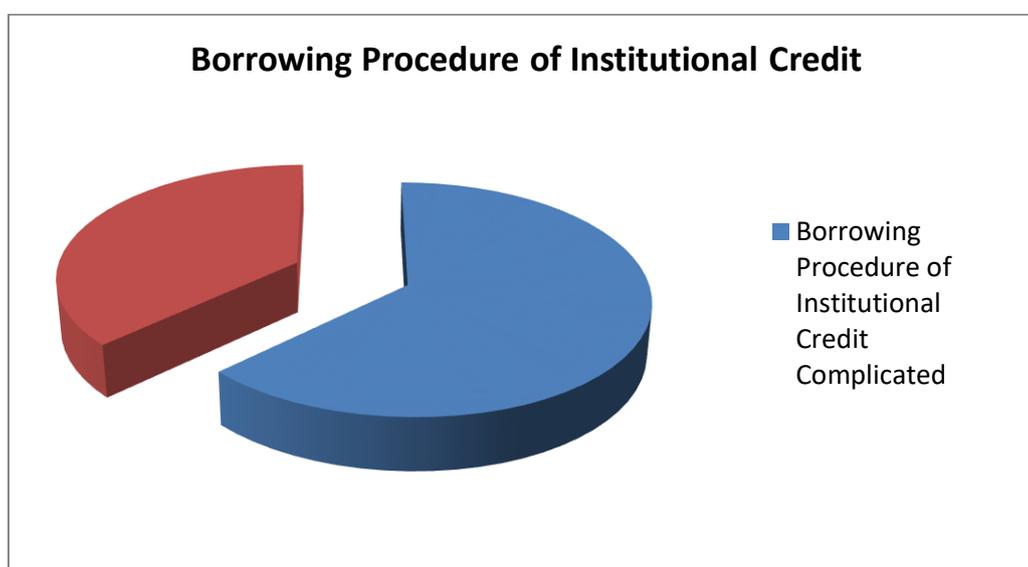
Table-9.22: Borrowing Procedure of Institutional Credit

Number and Categories of Farmers	Borrowing Procedure of Institutional Credit		Total
	Complicated	Simple	
No. of Category-I Farmers	53 (58.89 Percent)	37 (41.11Percent)	90
No. of Category-II Farmers	57 (63.33 Percent)	33 (36.67 Percent)	90
No. of. Category-III farmers	60 (66.67 Percent)	30 (33.33 Percent)	90
Total	170 (62.96 Percent)	100 (37.04 Percent)	270

Source: Field Survey, 2018

The table 9.22 shows that out of 270 sample farmers, 170 farmers opined that borrowing procedure of institutional credit was complicated and another 100 farmers expressed their opinions that borrowing procedure of institutional credit was simple. They viewed that the system of taking loan from financial institutions was easy. Hence, the hypothesis complicated borrowing procedure is true.

Figure- 9.10: Borrowing Procedure of Institutional Credit



Chai- square (χ^2) test has been implemented to know the significance difference among different group of farmers regarding borrowing procedure of institutional credit is complicated.

In the table-9.22, $v(\text{nu}) = (r-1)(c-1) = (3-1)(2-1) = 2$

Table value of χ^2 for $v(\text{nu}) = 2$ degree of freedom, at 5 percent level of significance is equal to 5.991. ($\chi^2_{0.05} = 5.991$)

Calculated value of $\chi^2 = \sum [(O - E)^2 / E] = 1.27$

The calculated value of chi-square ($\chi^2 = 1.27$) is less than the table value ($\chi^2_{0.05} = 5.991$), at 5 percent level of significance. Hence, a difference among the different categories of farmers is not significant. Majority of farmers viewed that the borrowing procedure of institutional credit is complicated. So the hypothesis complicated borrowing procedure of institutional credit is accepted.

9.24: System of Repayment of Agricultural Credit

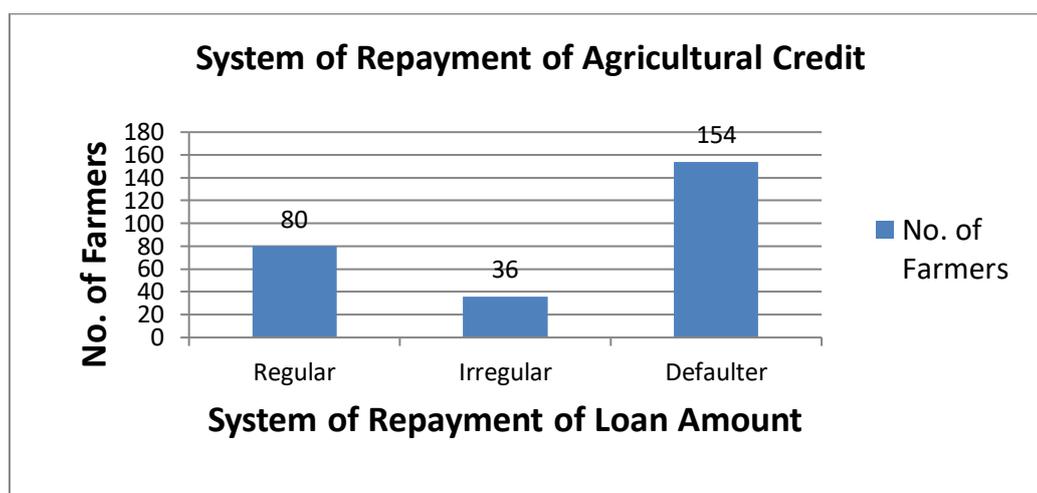
Agricultural credit structure is highly dependent on repayment behaviour of the beneficiaries. Repayment of loan installment in a regular basis is essential for recycling of fund. The banking institutions are always facing a serious problem of default of loan installment which may paralyse the entire financial system. In the field survey, it was observed that 29.63 percent borrowers paid loan installment regularly and 13.33 percent paid their installment of loan irregularly. On the other hand, 57.04 percent were found defaulters. The repayment conditions of agricultural credit are shown in table 9.23.

Table- 9.23: System of Repayment of Agricultural Credit

Loan Repayment System	No. of Farmers	Percentage
Regular	80	29.63
Irregular	36	13.33
Defaulter	154	57.04
Total	270	100

Source: Field Survey, 2018

The table 9.23 shows that out of 270 sample farmers, 80 farmers paid loan installment regularly and 36 farmers paid loan installment irregularly. 154 farmers were found defaulters.

Figure-9.11: System of Repayment of Agricultural Credit

9. 25: Utilisation of Loan Amount in Proper Way

Utilisation of loan amount in unproductive way is the serious problem of agricultural credit. It is important to use the loan amount in proper way to reduce the overdue problem of agricultural credit. During the time of field survey, it was observed that 44.44 percent farmers utilised their loan amount in proper way and another 55.56 percent farmers were found that they used their loan amount in non-productive activities. The following table 9.24 shows the system of utilization of loan amount.

Table -9.24: Utilisation of Loan Amount in Proper Way

Number and Categories of Farmers	Utilisation of Loan Amount in proper way		Total
	Yes	No	
No. of Category-I Farmers	43 (47.78 Percent)	47 (52.22 Percent)	90
No. of Category-II Farmers	40 (44.44 percent)	50 (55.56 Percent)	90
No. of. Category-III farmers	37 (41.11 Percent)	53 (58.89 Percent)	90
Total	120 (44.44 Percent)	150 (55.56 Percent)	270

Source: Field Survey, 2018

The table 9.24 shows that out of 270 sample farmers, 120 farmers utilised their loan amount in proper way, another 150 sample farmers did not use the loan amount in proper way, i.e. they used the loan amount in unproductive activities and social ceremonies.

Chi-square (χ^2) test has been implemented to know the significance differences among different group of farmers regarding misutilisation of agricultural credit in unproductive activities.

In the table-9.24, $v(\text{nu}) = (r-1)(c-1) = (3-1)(2-1) = 2$

Table value of χ^2 for $v(\text{nu}) = 2$ degree of freedom, at 5 percent level of significance is equal to 5.991. ($\chi^2_{0.05} = 5.991$)

Calculated value of $\chi^2 = \sum [(O - E)^2 / E] = .81$

The calculated value of chi-square ($\chi^2 = .81$) is lower than the table value ($\chi^2_{0.05} = 5.991$), at 5 percent level of significance. Hence, a difference among the different categories of farmers is not significant. Farmers misused the agricultural loan in unproductive purposes is true and the hypothesis misutilisation of agricultural credit is accepted.

9.26: The Alternative Way of Spending the Agricultural Credit

The main purpose of borrowing agricultural credit is to develop the agricultural sector and produce more output. In actual practice, all borrowers do not spend the loan amount on agricultural productive activities; rather some spend on alternative ways. In the field survey, it was found that 20 percent sample farmers spent the loan amount on purchasing of durable domestic assets, 40 percent borrowers spent the borrowed fund on family consumption expenditure, 20 percent spent on business purposes, 13.33 percent spent on social ceremonies and religious purposes and 6.67 percent on treatment of diseases. The table 9.25 shows the alternative way of spending the agricultural credit.

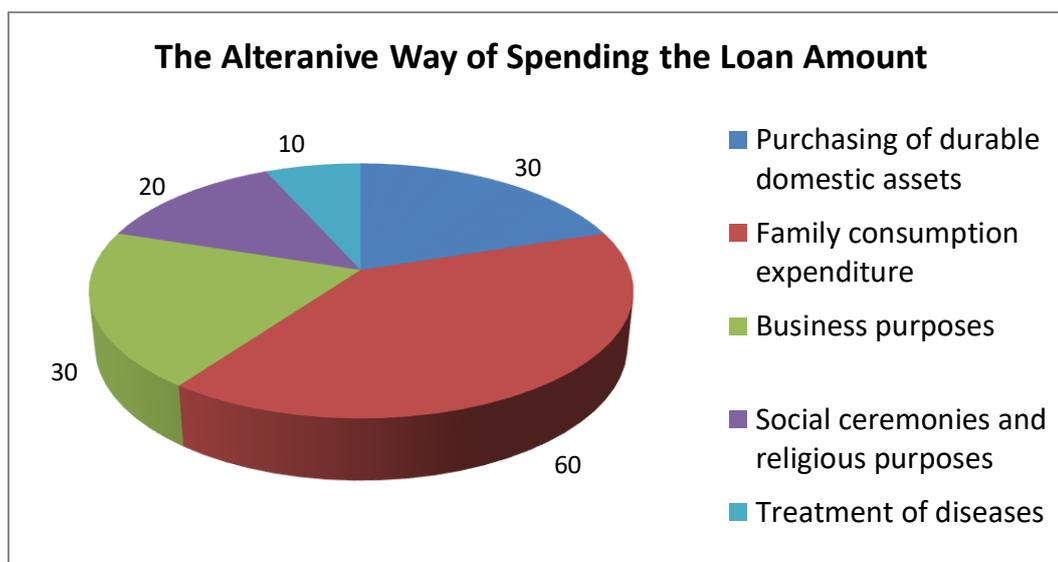
Table- 9.25: The Alternative Way of Spending the Agricultural Credit

The Alternative Way of Spending the Loan Amount	No. of Farmers	Percent
Purchasing of Durable Domestic Assets	30	20.00
Family Consumption Expenditure	60	40.00
Business Purposes	30	20.00
Social Ceremonies and Religious Purposes	20	13.33
Treatment of Diseases	10	6.67
Total	150	100

Source: Field Survey, 2018

The table 9.25 shows that out of 270 sample farmers, 150 farmers did not spend the loan amount in agricultural activities. Among 150 farmers, 30 farmers spent on purchasing durable domestic assets, 60 farmers spent on family consumption expenditure, again 30 farmers spent their loan amount on other business purposes, 20 farmers spent on social ceremonies and religious purposes and 10 farmers spent on treatment of diseases.

Figure-9.12: The Alternative Way of Spending the Agricultural Credit



9.27: Causes of Overdues of Agricultural Credit

Payback of loan instalment is a necessary condition for recycling of agricultural credit. The overdue of loan is the serious problem of agricultural credit. There are many reasons for which poor farmers are not able to repay the loan installment. During the period of field investigation, it was found that 3.25 percent farmers were not able to return the loan due to their lower income level, 1.30 percent were unwilling to repay the loan amount, 12.99 percent were unable to return the loan installment because they spent the loan amount on social ceremonies and religious purposes, 38.96 percent could not return the loan due to high family consumption expenditure and 43.50 percent were found defaulter due to lower level of productivities. The various causes of ovrdues of loan installment are shown in the table 9.26.

Table- 9.26: Causes of Overdues of Agricultural Credit

Causes of Overdues of Agricultural Credit	No. of Farmers	Percent
Lower Level of Income	05	3.25
Unwillingness to Repay	02	1.30
Social Ceremonies and Religious Purposes	20	12.99
Higher Level of Family Consumption Expenditure	60	38.96
Lower Level of Productivities	67	43.50
Total	154	100

Source: Field Survey, 2018

The table 9.26 reveals that out of 270 sample farmers, 154 farmers were found defaulter of loan installment due to their lower income, 2 farmers were found that they were unwilling to repay the loan installment, again 20 farmers were unable to return the loan amount because they spent the credit money on social ceremonies and religious purposes, another 60 farmers could not pay back the loan installment due to higher level of family expenditure and 67 sample farmers were unable to repay the loan installment due to lower level of productivities. Natural calamities are the main factor responsible for lower level of productivities. Hence, it is clear from the study that lower level of productivities is one of the main causes of overdue of agricultural credit.

Based on respondents' opinion a set of variables have been detected which influence overdue of loan amount. These include Lower Level of Income, unwillingness to repay, and diversion of money for social ceremonies and religious purposes, family consumption expenditure and lower level of productivities. Simple linear regression analysis was run to determine the significant variables determining overdue.

The result may be presented as under in the table 9.26(a), 9.26(b), 9.26 (c), 9.26(d), 9.26(e)

Table-9. 26(a): Variables Entered/Removed^b

Model	Variables Entered	Description of variable	Variables Removed	Method
1	Unwilling lowincm, SRexp, conexp, lowpdvtya	Unwillingness to Repay, Lower level of income, Social Ceremonies and religious expenditure, Consumption expenditure, Lower level of productivities	NIL	Enter

a. All requested variables entered.

b. Dependent Variable: overdue

Table-9.26(b): Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F value
1	.699 ^a	.503	.492	12698.10604	28.340 (0.00)*

a. Predictors: (Constant), unwilling, lowincm, SRexp, conexp, lowpdvty

b. Dependent Variable: overdue

The model estimate R Square and Adjusted R Square values at .503 and 0.492. The significant F value shows the overall goodness of fit of the model. The variables satisfy the expected influence upon the dependent variable. However the estimated

coefficient and their level of significance show that only the 'lower productivity' variable has significant influence (0.05 level) on overdue.

Table-9.26(c) :Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	34000.000	12698.106		2.678	.008
SRexp	1250.000	13011.687	.024	.096	.924
conexp	1100.000	12803.486	.031	.086	.932
lowpdvty	25179.104	12792.517	.717	1.968	.050
lowincm	-3800.000	13910.078	-.039	-.273	.785
unwilling	-9000.000	17957.834	-.042	-.501	.617

a. Dependent Variable: overdue

The study also envisages the association between two attributes i.e. overdue and low productivity. The test statistics (Chi Sq) shows strong relationship between the two variables. The estimated Pearson chisq is 67.124 which is significant at 0.01 level. Thus the result supports the research hypothesis that the low productivity is one of the main reasons for overdues of credit.

Count		lo_pdvty_170		Total
		0	1	
Over due	no	116	0	116
	yes	87	67	154
Total		203	67	270

Table-9.26(e) : Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	67.124 ^a	1	.000		
Likelihood Ratio	91.673	1	.000		
N of Valid Cases ^b	270				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 28.79.

b. Computed only for a 2x2 table

9.28: Provision of Subsidy of Agricultural Credit

Provision of subsidy is an important requirement of agricultural credit. Poor farmers are not interested to take loan without subsidy. Government provides limited provision of subsidy for a particular time. The following table no 9.27 shows the provision of subsidy of agricultural credit.

Table - 9.27: Provision of Subsidy of Agricultural Credit

Number and Percentage of Farmers	Available Provision of Subsidy		Total
	Yes	No	
No. of Farmers	10	260	270
Percentage	3.70	96.30	100

Source: Field Survey, 2018

The table 9.27 shows that out of 270 sample farmers, only 10 farmers were found that they were getting the provision of subsidy of agricultural credit and another 260 sample farmers had taken loan without subsidy. From the study, it was clear that 96.30 percent farmers are deprived of getting subsidy of agricultural credit and only 3.70 percent farmers were getting the provision of subsidy of agricultural credit. Thus, limited provision of subsidy is one of the problems of agricultural credit.

9.29: Requirement of Heavy Security for Agricultural Credit

Requirement of security for getting a loan is a big problem faced by poor farmers. The Banking institutes do not agree to provide loan without security. Security is the primary and basic requirement for taking loan. Marginal and small farmers are unable to submit any property as a security for which they are deprived of getting loan from financial institutions. In the field investigation, it was found that 100 percent sample farmers needed security for getting loan. The following table 9.28 shows the requirement of security for sanctioning a loan.

Table- 9.28: Requirement of Security for Agricultural Credit

Number and Percentage of Farmers	Requirement of Security		Total
	Yes	No	
No. of Farmers	270	Nil	270
Percentage	100	Nil	100

Source: Field Survey, 2018

The table 9.28 shows that all 270 respondents farmers had submitted security for getting loan. Not a single one could take loan without security. Hence, heavy security is one of the hurdles of flowing of agricultural credit.

9.30: Poor Recovery of Agricultural Credit

Financial institutes face a big problem of poor recovery of loan installment for which financial institutes are not able to recycling of fund and unable to provide new credit

to farmers for agricultural activities. The following table 9.29 shows the various causes of poor recovery of loan amount.

Table - 9.29: Poor Recovery of Agricultural Credit

Causes of Poor Recovery of Agricultural Credit	No. of Branches of Banks							Total	Percentage
	AGVB	S.B.I	Union Bank	Co-op Apex Bank	Canara	Uco Bank	Axis Bank		
Lower Income of Borrower	02	-		01	-	-	-	03	10.00
Unproductive Utilisation of Credit	03	02	01	01	02	01	01	11	36.67
Misutilisation of Credit	01	01		-	01	01	-	04	13.33
Unable to maintain the Assets	-	-		-		-	-	-	-
Willfully Default	04	02	01	01	01	02	01	12	40.00
Total	10	05	02	03	04	04	02	30	100

Source: Field Survey, 2018

The table 9.29 shows that out of 30 branches of different banks, 03 branches' officials expressed their opinions that they could not collect the lending money due to lower income of borrowers, 11 branches opined that borrowers could not return loan installment due to unproductive utilization of credit money, another 04 branches argued that they were unable to collect the lending money due to misutilisation credit money and 12 branches' officials opined that borrowers willfully defaulted their loan amount. From the study, it was clear that 40 percent bank branches could not collect the lending money due to willfully defaulter and 36.67 percent bank branches were unable to get the lending money due to unproductive utilisation of credit money by the borrowers.

9.31: Problems faced by the Banks in Advancing Agricultural Credit

Financial Institutes face a number of problems at the time of providing loan. The table 9.30 shows the problems of proving loan to farmers which are bearing by the banking institutes.

Table- 9.30: Problems faced by the Banks in Advancing Agricultural Credit

Problems Related in Advancing loan	No. of Branches of Banks							Total Bank	Percentage
	AGVB	S.B.I	Union Bank	Co-op Apex Bank	Canara	Uco Bank	Axis Bank		
Non Performing Assets(NPA)	03	02	01	01	02	01	01	11	36.67
Unproductive Utilisation of Credit	01	-	-	-	01	01	-	03	10.00
Poor Recovery	02	01	-	-	-	01	-	04	13.33
Lack Banking Knowledge	02	01	-	01	01	-	-	05	16.67
Willfully Default	02	01	01	01	-	01	01	07	23.33
Total	10	05	02	03	04	04	02	30	100

Source: Field Survey, 2018

The table 9.30 reveals that out of 30 different bank branches, 11 bank branches are getting problems in providing loan due to non performing assets, 03 branches opine that unproductive utilization is the problem of advancing loan, 04 branches expressed their views that poor recovery is the problem of providing loan to farmers, 05 branches found problems in advancing loan due to lack of banking knowledge of people and 07 branches view that willfully default is the big problem in providing credit. From the study, it is clear that NPA is the biggest problem of banks in advancing loan.

9.32: Inadequate Supply of Agricultural Credit

The financial institutes provide inadequate amount of credit as per demand of modern agricultural sector. Farmers need adequate supply of fund to maintain their increasing cost condition in agricultural sector. The table 9.31 shows the inadequate supply of agricultural credit by banks.

Table- 9.31: Inadequate Supply of Agricultural Credit.

Causes of Inadequate Supply of Credit	No. of Branches of Banks							Total Bank Branches	Percentage
	AGVB	S.B.I	Union Bank	Co-op Apex Bank	Canara	Uco Bank	Axis Bank		
Lack of infrastructure Facilities	02	-	01	-	01	01	01	06	30.00
Lack of loan scheme	-	-	-	-	01	--	01	02	10.00
Lack of interest of farmers	02	02	-	01	01	-	-	06	30.00
Lack of Fund	01	-	-	-	-	-	-	01	5.00
Poor recovery	02	01	-	01	-	01	-	05	25.00
Total	07	03	01	02	03	02	02	20	100

Source: Field Survey, 2018

The table 9.31 shows that out of 30 sample banking branches, 10 branches could provide required amount of credit and 20 branches were not able to provide sufficient supply of credit, out of 20 branches, 06 branches opined that they could not supply adequate quantity due to lack of infrastructure facilities, 02 branches viewed that lack of loan scheme was the main cause of insufficient credit fund, 06 branches expressed their opinions that they provide inadequate fund because farmers were not interested to take loan. They thought that loan is an extra burden on them, 01 branch opined that the bank could not provide required amount due to lack of fund and 05 branches opined that they were not ready to provide adequate supply of credit due to poor recovery of loan amount which were already disbursed.

9.33: A Comparative Analysis of the status of Performance of different Banks in Assam

Assam Gramin Vikash Bank (AGVB) is a Regional Rural Bank of Assam covering highest area and it was established by the amalgamation of four regional rural banks of Assam, namely, Pragjyotish Gaonlia Bank, Cachar Gramin Bank,

Lakhimi Gaonlia Bank, Subansiri Gaonlia Bank. The AGV bank has been operating its services in 31 districts with 410 nos of branches. Total deposit amount of AGV bank was Rs. 7,38,19,526 as on 31-03-2016 and total disbursement amount of loan was Rs. 68,48,868 thousand in 2015-16 as per 11th annual report , Assam Gramin Vikash Bank 2015-16. There are 344 branches of State Bank of India (SBI) and its associates, 2 branches of foreign banks and 265 branches of private sector banks. Total deposits of SBI is the amount of Rs. 39,693 crore and total credit amount is of Rs. 14,754 crore. (Economic Survey Assam, 2016-17). Total disbursement of loan provided by NABARD through commercial banks is the amount of Rs. 2,740.01 lakh and through regional rural banks (RRB) is the amount of Rs. 16,236.24 lakh in 2015-16 (Statistical Hand Book, Assam, 2016)

In Barpeta district, there are 19 bank branches of Assam Gramin Vikash Bank, 14 bank branches of State Bank of India (SBI) and 3 bank branches of Apex Cooperative bank. Thus, the AGV bank is the highest branch network coverage regional rural bank (RRB) in Barpeta district. During the time of field investigation, it has been found that out of 270 sample farmers , 106 (39.26 percent) sample farmers have taken loan from AGV bank ,46 (17.03 percent) farmers took credit from SBI, 42 (15.55 percent) from Union Bank, 16(5.93 percent) from UCO bank, 18 (6.67 percent) from Canara bank, 18 (6.67 percent) from Apex Cooperative Bank, 4 (1.48 percent) from Cooperative Societies, 14 (5.19 percent) from Bandhan Bank and 6 (2.22 percent) farmers took loan from H.D.F.C. bank. Hence, it is clear that Assam Gramin Vikash Bank is playing a vital role in the development of agricultural sector by providing agricultural credit to the rural poor in Assam. As the AGV bank has covered the maximum area of rural area and supplied loan to all backward rural sector besides agriculture and its allied sectors, so, the AGB bank has a special importance in the upliftment of rural economy of Assam. The present study has given a special importance on the AGV bank through the title of the present research work.

Agriculture is the principal source of income of the rural poor. The agricultural sector is very poor and is neglected in Assam. Poor farmers are doing agricultural activities in traditional method. They are not able to use modern techniques due to insufficient fund. The financial institutions provide inadequate supply of fund for which they borrow money from village money lender at a very high rate of interest. This agriculturist class is generally exploitative class. From the

field survey, it has been clear that Farmers are not interested to take loan from bank because agricultural credit sanctioning procedure is complex and so many problems are associated with it. The financial institutions are also facing a number of problems after disbursement of credit such as poor recovery, overdues and misutilisation of credit etc. Hence, agricultural institutional credit should be available and credit procedure should be simple that illiterate farmers can take loan easily. The banking institutions should monitor the activities of farmers about the proper utilization of credit amount at an internal time period. The development of agricultural sector is the first step of development of an economy.