

**AGRICULTURAL CREDITS: FARMERS PROBLEMS
AND PROSPECTUS IN SANGAREDDY DISTRICT
OF TELANGANA STATE**

**A Thesis Submitted to the University of Hyderabad in Partial
Fulfillment of the Requirements for the Award of the Degree of
DOCTOR OF PHILOSOPHY**

**IN
ECONOMICS**

By

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CERTIFICATE

This is to certify that the thesis entitled **“AGRICULTURAL CREDITS: FARMERS PROBLEMS AND PROSPECTUS IN SANGAREDDY DISTRICT OF TELANGANA STATE”** is submitted by Mr. K.Sri Venu Babu in partial fulfilment of the requirement for the award of the degree of Ph.D. in Economics. University of Hyderabad has been carried out under my supervision.

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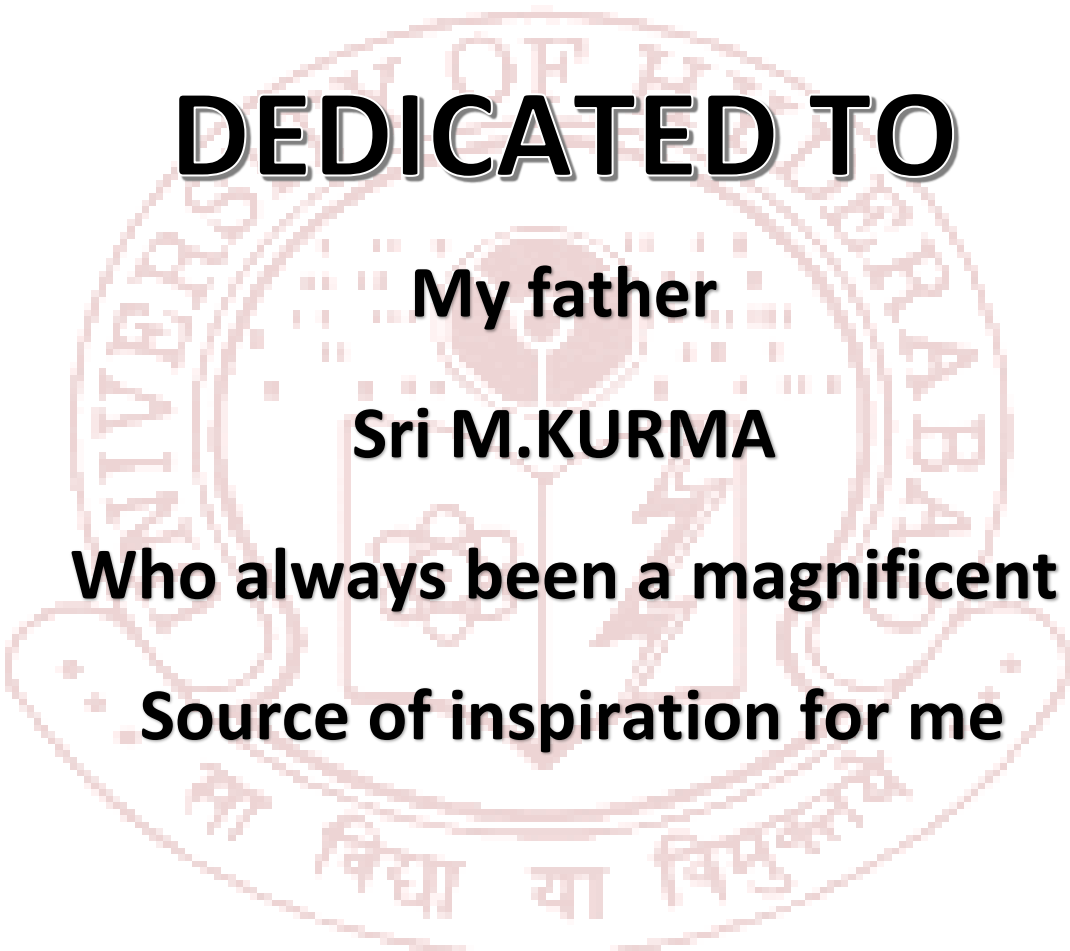
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The background of the page features a large, faint, circular seal of the University of Madras. The seal contains the university's name in English and Tamil, along with a central emblem depicting a lamp and an open book.

DEDICATED TO

My father

Sri M.KURMA

Who always been a magnificent

Source of inspiration for me



DECLARATION

I, K.SRI.VENU BABU, hereby declare that the research embodied in the present dissertation entitled **“AGRICULTURAL CREDITS: FARMERS PROBLEMS AND PROSPECTUS IN SANGAREDDY DISTRICT OF TELANGANA STATE”** is an original research work carried out by me under the supervision of Prof. **Prof. N.A. Khan**, School of Economics, for the award of Doctor of Philosophy from University of Hyderabad. I also declare to the best of my knowledge that no part of this dissertation is earlier submitted for the award of any research degree or diploma in full or partial fulfillment in any other university or institution.

Place: Hyderabad

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ABBREVIATIONS

ACP	Annual Credit Plan
ADBC	Agricultural Development Bank of China
ADWDRS	Agricultural Debt Waiver and Debt Relief Scheme
AH&F	Animal Husbandry & Fisheries
AIDIS	All India Debt and Investment Survey
AIRCSC	All India Rural Credit Survey Committee
ANBC	Adjusted Net Bank Credit
APMC	Agricultural Produce Market Committee
ARDRS	Agricultural and Rural Debt Relief Scheme
BCs	Business Correspondents
BFs	Business Facilitators
BOCF	Bank of China Fullerton
BRLP	Bihar Rural Livelihoods Promotion
CAGR	Compounded Annual Growth Rate
CBIRC	Chinese Banking and Insurance Regulatory Commission
CBS Core	Banking Solutions
CGFS	Credit Guarantee Fund Scheme
CMIE	Centre for Monitoring of Indian Economy
DAY-NRLM	Deen Dayal Antyodaya Yojana–National Rural Livelihood Mission
DBT	Direct Benefit Transfer
DCCBs	District Central Cooperative Banks
DFS	Department of Financial Services
DICGC	Deposit Insurance and Credit Guarantee Corporation
DILRMP	Deposit Insurance and Credit Guarantee Corporation
DILRMP	Digital India Land Records Modernization Programme
DLTC	District Level Technical Committee
ECA	Essential Commodities Act
EGFS	Equity Grant Fund Scheme
ELI	Eligible Lending Institutions
FI	Financial Inclusion
FPCs	Farmer Producer Companies
FPOs	Farmer Producer Organizations
FSS	Farmers’ Service Societies
GCC	General Credit Card
GCF	Gross Capital Formation
GDP	Gross Domestic Product
GFD	Gross Fiscal Deficit
GLC	Ground Level Credit
GoI	Government of India
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added GVO Gross Value of Output
IBA	Indian Banks Association

ICRIER	Indian Council for Research on International Economic Relations
ICT	Information and Communications Technology
ILO	International Labour Organization
ISS	Interest Subvention Scheme
IWG	Internal Working Group
JLG	Joint Liability Group
KCC	Kisan Credit Card
LAMPS	Large-sized Adivasi Multipurpose Societies
MFIs	Micro Finance Institutions
MFIN	Micro Finance Institutions Network MIS Management Information System
MoA&FW	Ministry of Agriculture and Farmers' Welfare
MoRD	Ministry of Agriculture and Farmers' Welfare
MoSPI	Ministry of Statistics and Programme Implementation
MPC	Monetary Policy Committee
MSME	Micro, Small and Medium Enterprises
MSP	Minimum Support Price
NABARD	National Bank for Agriculture and Rural Development
NAM	National Agriculture Market
NBFC	Non-Banking Financial Company
NBFC–MFIs	Non-Banking Financial Company-Micro Finance Institutions
NCDC	National Co-operative Development Corporation
NCDEX	National Commodity and Derivatives Exchange
NGOs	Non-Governmental Organizations
NITI	National Institution for Transforming India
NPA	Non-Performing Asset
NSSO	National Sample Survey Office
OECD	Organization for Economic Co-operation and Development
PACS	Primary Agricultural Credit Society
PBC	People's Bank of China
PC	Producer Company
POs	Producer Organizations
PRI	Prompt Repayment Incentive
PRODUCE	Producers' Organization Development and Upliftment Corpus
PSL	Priority Sector Lending
PSLC	Priority Sector Lending Certificates
RCCI	Rural Cooperative Credit Institution
REC	Rural Electrification Corporation
RIDF	Rural Infrastructure Development Fund
RMB	Renminbi
RRBs	Regional Rural Banks
SAA	Service Area Approach
SACGA	State Agricultural Credit Guarantee Alliance
SCBs	Scheduled Commercial Banks
SEBs	State Electricity Boards
SFAC	Small Farmers' Agri-Business Consortium

SFBs	Small Finance Banks
SGSY	Swarnajayanti Gram Swarozgar Yojini
SHG	Self-Help Group
SHG-BLP	Self Help Group - Bank Linkage Programme
SI-SPA	Systems Improvement Scheme under Special Project Agriculture
SI-SPA	Systems Improvement Scheme under Special Project Agriculture
SLTC	State Level Technical Committee
SME	Small and Medium Enterprises
SMF	Small and Marginal Farmers
SoF	Scale of Finance
SSI	Small Scale Industries
StCBs	State Cooperative Banks
UCB	Urban Cooperative Bank
WDRA	Warehousing Development and Regulatory Authority
WTO	World Trade Organization

CHAPTER I: BRIEF INTRODUCTION, OBJECTIVES, HYPOTHESIS AND METHODOLOGY

1.1 Introduction

Agriculture is not crop production as popular belief holds - it's the production of food and fiber from the world's land and waters. Without agriculture it is not possible to have a city, stock market, banks, university, church or army. Agriculture is the foundation of civilization and any stable economy.

Agriculture plays an important role in development and the main source of livelihood of majority population in India is agriculture. The main problem of agriculture is carried on in rural areas mostly by poor, weaker, small, marginal farmers of the society. One of the most important sources of agricultural expansion is non-institutional creation. It capitalize farmers to make new investments and embrace new technology, as well as produce and market their products. Agricultural credit is also a crucial component in increasing agricultural production and productivity while also reducing farmer hardship. Farmers can obtain bank credit in the form of short-term credit to fund crop production programmes, as well as medium- and long-term credit to fund capital investment in agriculture and related industries.

Agriculture continues to dominate the economies of developing countries like India, both in terms of revenue creation and human employment. In India, almost 60% of the population works in agriculture, which accounts for 18% of GDP, but agriculture accounts for only 2% of GDP in developed countries. This sector accounts for around 10% of national exports, demonstrating that India's economic growth and development are inextricably linked to agricultural development. In comparison to other sectors of the economy, the agriculture industry has been increasing at a slow pace.

1.2. Evolution of agricultural credit policy

Through the five-year plans, the Indian government is responsible for developing an appropriate agriculture policy. Aside from formulating national policy, the government is also responsible for rationalizing and developing the organizational framework for complete institutionalization of agricultural credit, so that the exploitative system of providing finance by money lender is completely replaced by a system of simple credit that is fully responsive to the needs of the farmers.

The cooperative system, established in 1904, was the first step toward institutionalizing farm finance, but it remained ineffective until the country got independence. In 1954, the government endorsed the all-India rural credit survey committee's integrated scheme of rural credit, providing it a tremendous boost.

With the active support of the government, the integrated rural credit plan attempted to fully institutionalize farm credits through cooperative credit and banking institutions. Furthermore, the integrated scheme placed a strong emphasis on the concurrent growth of cooperative marketing, processing, storage, and so forth. The creation of skilled labor was an important component of the integrated scheme. The Reserve Bank of India had been urged by the government to coordinate and oversee the scheme's execution as well as give necessary financial support to cooperatives.

1.2.1 Advantages of multi-agency approach

All plans and programmes for the development of institutional credit to agriculture were governed by the above government policy till 1969; after a review of the performance of cooperative credit, the government came to the conclusion that for faster growth of agriculture, complete reliance could not be placed on cooperative organization since the fast increasing requirements of credit could not wait for cooperatives to become strong. Accordingly, the “multi-agency approach was adopted by the government in the sphere of agricultural credit and in July 1969,¹⁴ leading commercial banks were nationalized with a direction to enter into the field of agriculture. Subsequently, in 1980, 6 more commercial banks were nationalized by the government, raising their number to 20”. The imperial bank of India was already nationalized and converted into the State Bank of India in 1955 at the instance of the ALL India Rural Credit Survey Committee with a view to assist and help the cooperative movement and extend rural banking facilities in the country.

Although the government continued to lay great emphasis on strengthening and development of cooperative credit system, nationalized, commercial banks were asked to undertake vast expansion of branches in rural areas and provide all kinds of agricultural credit to the farmers in the neglected areas. Thus, side by side with the reorganization and strengthening of the cooperative credit structure, the process of branch extension in rural areas by commercial banks continued to be the main planks in the agriculture credit policy of the government.

1.2.2 Special agency for weaker sections

The situation persisted until 1975, when the government concluded that both cooperative and commercial banks had failed to reach small and marginal farmers, as well as other weaker parts of society, in the main time. The government had appointed the national commission on agriculture, working group on regional rural banks and working group on provision of credit to Adivasi and Tribes, etc. on the recommendation of national commission on agriculture, committee on multi agency approach, the government accepted to set up farmers service societies exclusively to meet the requirements of marginal and small farmers and agricultural workers and crafts worker, etc. who were neglected both by the cooperative and commercial banks. For Adivasi and tribal areas, the government accepted the establishment of large-sized multi-purpose cooperative societies (LAMPS).

Still not satisfied with the “flow of credit to the weaker sections”, particularly in the area not covered by the existing agencies or neglected by them, the government accepted the recommendation of the working group on regional rural banks and launched the scheme for setting up regional rural banks in neglected and uncovered areas.

1.2.3 Total infrastructure of credit

As a result of its deliberate policy, the government has created a total infrastructure of agricultural credit which comprises, the Reserve Bank of India and Agricultural Refinance and Development Corporation at the national level, nationalized Commercial Banks, State Cooperative banks at the state level, Regional Rural Banks and District Central Cooperative banks, at the district level and the primary agricultural cooperative societies, farmers service societies, large-sized Adivasi multi-purpose cooperative societies and the branches of the regional rural banks at the grass root levels.

In addition to policy formation and development of infrastructure for the credit delivery system the government, both central and state, have formulated a number of schemes under central and state plans for agricultural and rural development.

1.3. Nationalisation of Banks

In the 1949 banking regulation act enacted, after that “The Imperial bank of India” was nationalized. It was known as “State Bank of India (SBI)”. It’s handling the central and state

1.3.1 Progress of the institutional credit since 1950

Dynamic agriculture moving towards higher levels of productivity and production focalized by technological innovations requires increasing amounts of production and investment credits, as credits provide access to inputs and technology, therefore, the major policy the sphere of agricultural credits in our country's growing institutionalization of rural development programmes with a considerable flow of funding to assist weaker parts and less developed regions has been a source of pride for us. The basic objective of the credit policy of the government of India has been to set up provision of timely and adequate credit to farmers, particularly to small and marginal farmers,

The agricultural credit system in India is one of the largest in the world. Cooperatives, commercial, and regional rural banks are all included.

1.4 Reserve Bank of India

Scheduled banks Commercial bank Co-operative bank Urban co-operatives State co-operatives Public sector Bank Foreign banks Regional rural Banks Private Sector banks State bank of India & associate banks Other nationalized bank Old banks New banks banking transactions also functioning as principal agent of “Reserve Bank of India (RBI)”. In 1959 seven SBI subsidiaries bank nationalize then after 1969, 14 major banks was nationalized.

In 1980 6 major banks nationalized. They also provide agricultural credit facilities to farmers. It is the major source of institutional credits to agriculture in India.

1.5 Regional Rural Banks (RRBs)

The Indian government appointed a working group on Rural Regional Banks in July 1975, chaired by Shri M.Narasimham, to "examine in depth the setting up of new rural banks as subsidiaries of public sector banks to cater to the credit needs of the rural people." The group submitted its report on July 30, 1975, within a month.

The recommendations of the group were accepted by the Indian government. The Regional Rural Banks Ordinance of 1975 was promulgated by the President of India on September 26th, 1975. The Regional Rural Banks Act of 1976 came after that.

The Act the RRBs were to be up mainly “with a view to developing the rural economy by providing for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural area, credit and other facilities particularly to the small and marginal farmers, agricultural laborers, artisans and small entrepreneurs and for matters connected there with and incidental thereto.”

It works under the “1975 act (Section 54 of the RBI act)”. Its main purpose to available financial credit to the farmers on the lowest interest rate.

It fulfils the basic need of working capital of farming.

It's provided loan and Advances to the co-operative society and other society which is related to the agricultural.

*Accepting deposits from rural areas and related areas.

*Provide loans and advances to the small entrepreneurs' and others who are engaged in trade, commerce & industry.

1.6 National Bank of Agricultural and Rural Development (NABARD)

It was established in 1982 under “the national bank for agricultural and rural development act 1981”. NABARD provides long-term refinance for minor irrigation, plantation, horticulture, fisheries etc. It also provides short-term loans for financing of seasonal agricultural operations, marketing of crops etc. It offers medium-term loans facilities for approved agricultural purpose.

NABARD was founded as a means of decentralizing RBI's duties. As a refinancing agency for the entire rural credit system, based on the proposals of the Committee to Review Arrangements for Credit for Agriculture and Rural Development (CRAFICARD). The CRAFTICARD had made a special reference of the need for this institution to continue to have access to the central bank's resources [RBI 1981]. As a result, NABARD had been relying on RBI for both long-term and short-term agricultural finance.

NABARD established the national rural credit (long-term operations) [NRC (LTO)] fund when it was founded in 1982. The whole national agricultural credit. Long-term operations fund, worth Rs.1025 crores, was deposited to this account. In addition, under section 17 (4E) of the RBI Act, the Reserve Bank of India was giving a general line of credit (GLC) to cooperatives and regional rural banks for short-term loans granted to agriculture.

1.7 Co-operative Banking:

Co-operative Banking registered under co-operative society act, governed by the banking regulation act 1949 and banking law (cooperative society) act 1955. When a co-operative society engages itself in banking business it is called as 'co-operative bank'. It provides the credit facility to farmers, salaried employees and small-scale industry. They also take deposits from them.

It is divided into three parts:

*Central co-operative bank

*State co-operative bank

*District central co-operative bank

1.8 Sources of Agricultural Credits:

The different types of agricultural loans can be divided into two categories.

1) Non-Governmental Organizations

2) Governmental Organizations

Moneylenders, their agents, and landlords in the local village are examples of non-institutional agencies. Credit earned outside of the non-institutional: (a) Moneylenders—from the beginning, moneylenders have advanced a significant portion of farm loans. Professional moneylenders and agriculturist moneylenders are the two sorts of moneylenders. Cooperative societies, regional rural commercial banks, and NABARD are examples of institutional agencies.

1.9 Agriculture credit policy:

Even before independence, policymakers were interested in providing financing to agricultural producers at the appropriate time, in the right amount, and on the right conditions. The British rulers created various laws favoring the riots the money lenders, primarily in response to the exploitative actions of private money lenders. On positive side encouragement was given to the co-operative movement which was organized on the pattern of the European credit co-operative. Similar policies were pursued in the post-independence India with greater vigor. A number of committees and commissions at the union and the state levels have reviewed

Agricultural credit system and made in particular recommendation for strength.

As a result of these efforts in a number of states co-operative credit structure for agriculture of the rural households are purposes became fairly strong. But in general the credit activities were still dominated by the private moneylenders continuing the practices for which they were notorious.

The nationalization of the banks in 1969 resulted in a significant shift in agricultural loan policy. In the rural credit situation, this was followed by the establishment of regional rural banks in 1975 and a national bank for agricultural and rural development in 1976. Among the most important are:

The principal of multiple sources for rural credit was accepted.

Brisk programme of rural bench expansion by the commercial banks took which brought credit outlets virtually at the doors of the agricultural producers in large parts of the country.

A substantial part of credit dispensed by these institutions was mandatorily earmarked for agriculture.

Interest rate for the agricultural advances in general and for the small producers in particular was made discriminatory in their favor.

Small producers and other economically disadvantaged members of rural society have been served by specialized institutions like regional rural banks.

Serious efforts were made to link credit with regional development activities.

Considerable progress has been made in all the directions in which actions were initiated a huge net work of outlets for credit has come into existence in rural areas, the spatial coverage has been very satisfactory even the most backward regions have obtained the facilities of the credit from organized source credit advanced to allied activities and the agriculture increased phenomenally marginal and small farmers had their fair share in credit advanced and credit institutions started playing critical role in rural development schemes. Like IRDP and Jawahar Rojgar Yoiana [Agriculture Credit Review Committee Report 1989].

In spite of several innovative measures and satisfactory progress in several directions a number of weakness have surfaced these include (a) We have not been able to reach the genuine poor in rural areas; nearly half of rural households remain outside the formal credit system, and (b) in practice, all institutions working in rural areas, such as co-operatives, regional rural banks, and rural branches of commercial banks, are losing a lot of money. These are either surviving on governmental subsidies or cross-subsidization from their parent institutions. The key concerns in rural credit in the 1990s were these, as well as the cost effectiveness of banking services in rural areas and the problem of overdue.

1.10 Services provided by agricultural banks:

The Indian banking sector provides different services to the farmers. Which are beneficial to farmers to take credit from banks.

Cash Credit: It is one of the major sources of agricultural credit. Most of banks provide the cash credit facility on behalf crops in farmers land. This credit is provided on very low interest near about 4%.it is short term loan.

Term loan: It is also main source of agricultural credit. Banks provides it for long term. This is beneficial for agricultural development.

Gold Loan: It is also one of the types of credit facility. Banks give credit on behalf of gold which given by farmers as mortgage. It also fulfils working capital need of farmers.

Crop Insurance: This facility is also provided by the bank.

THIS IS ALSO BENEFICIAL TO FARMERS TO REDUCE THE RISK OF FARMING.

Mobile Banking: Bank started to provide banking facility on mobile. This is beneficial for farmers to see their account balance and transaction.

Online Banking: Farmers started to take benefits of online banking. It is helpful to them save time and money.

1.11 IMPACT OF AGRICULTURAL BANKING ON FARMERS

1) Expand the irrigation area: Using the credit facility farmers able to expand the area of irrigation in farm. It also increases production of crops. They are able to take all three season crop. E.g. Drip irrigation.

2) Use of Machinery: Farmers use machinery in farming activity which helps do work accurately and in proper time. Farmers save their efforts and time by using machinery. E.g. Harvester, Tractor equipment etc.

3) Storage Godown (warehouse): Farmers are able to develop the storage facility in their area. It is beneficial to them to store the crop for better price and supply in market as per requirement. NABARD has separate schemes for agricultural godown.

4) Processing units: Now a day's farmer concentrates on food processing. Using this they are able to do proper marketing of products.

5) Horticultural: Farmers go towards horticulture farming in their land area. It is possible for bank credit available in proper time and ease.

6) Freedom from moneylenders: farmers become free from old moneylenders and landlord control. They are able take proper price of their product and sell their product indifferent markets.

7) Farmers become economically stabled and socially developed: Using banking facility they are able to earn better profits and they also be able to spend money on primary needs.

1.12 Short Term Credit

For a period of less than 15 months, Indian farmers require loans to cover their short-term demands, such as purchasing seeds, fertilizers, and paying wages to hired workers. These types of loans are usually returned after the harvest. Short-term credits are usually smaller in size than medium-term credits.

Poor farmers receive less attention: Rural credit agencies and their programmes have failed to address the needs of small and marginal farmers. In India, the intuitional credit system continues to be inadequate in comparison to the country's expanding needs.

Private sources currently meet 20% of the farmers' short and medium term credit needs, thanks to the ongoing institutionalization of credit. In other words, institutional resources cover around 80% of such requirements. This is owing to state-owned commercial banks' unwillingness to lend to peasant farmers.

Farmers in distress: In India's agriculture industry, a lack of affordable, effective transportation is a major issue; small farmers still rely on bullock carts to carry their produce. As a result, farmers are unable to get their produce to the central market and are forced to sell it at a cheap price on the local market.

1.13 Agricultural Loans Division

Modernization of agriculture demands increased use of modern inputs like chemical fertilizers, irrigation, improved seeds, plant protection measures, improved tools and machinery, from the farmers. This has resulted in tremendous increase in the demand for borrowed funds in agricultural sector. to liberate the farmers from the clutches of village moneylenders and to cater to the legitimate credit needs of the farmers through institutional sources, efforts have been made in India to expand the network of formal financial institutions (FFI).realizing the inability of cooperative

credit institutions in meeting the credit needs of farm sector efficiently and adequately, the government adopted multi-agency approach. Thus came the Nationalization of 14 major commercial banks in July 1969, which was extended to 6 more commercial banks in 1980. The State Bank of India and its 7 Associate Banks were also geared in this direction. In addition to the above, 5 Regional Rural Banks (RRBs) were started on October 2nd 1975, on a pilot project. Since then the government never looked back. As on June 30th 1988, 199 RRBs were set up covering 363 districts of the country.

The tremendous increase in the flow of loans the network of FFIs in rural is no doubt necessary but not sufficient. It is only a means and not an end in itself. The value of institutional finance is measured not only by the amount of credit injected into the industry, but also by how well it is utilized by borrowers. All people concerned and matter should pay attention to the amount to which it is used for productive purposes and the extent to which it deviates from the stated purpose.

1.14 The Problems of Rural Indebtedness

Rural indebtedness refers to the debts or loans taken by the rural people in order to meet their consumption and non-consumption needs.

1.14.1 Economic Reasons

The most important cause of rural indebtedness is mostly poverty of farmers. This poverty is due to (a) excessive pressure of population on land create small and marginal holdings (b) absence of subsidiary occupations like dairy farming, poultry, horticulture, handicrafts, rural industries, etc (c) risks in his occupation like floods, drought, pests, etc (d) uncertainties of agriculture because it depends largely on nature. All these causes make him poor and once poor, he is caught in the vicious circle of poverty. Since he is poor, he can not save, since he cannot save, he borrows, once he borrows he remain always under debt.

1.14.2 Impact on Agriculture

Given the government's focus on tackling the agrarian problem, a farm relief or boost package was predicted in the Interim Budget 2019. The government responded to these expectations by announcing an income assistance scheme for disadvantaged farmers, walking a fine line between

financial prudence and populism. A gigantic outlay of Rs 75,000 crore for FY 2019 and Rs 20,000 crore for FY 2018 (starting December 2018) was announced under Kisan Samman Nidhischeme, which will be funded entirely by the Central Government. Under this scheme, farmers holding less than 2 ha of land will receive Rs.6,000 annually, in 3 instalments. This amount will be credited directly to farmers' account.

More than 72% of India's farmers fall into the group of marginal farmers and small farmer; the figure is expected to increase to 90%. Average annual income of small and marginal farmer ranges between Rs.35, 000-Rs.40, 000, and the average land holding is around 1.23 ha. This is a very vulnerable section of the society which is hugely impacted by various factors natural calamities can cause a loss of 12% to 15%, lack of marketing facilities reduces income by 15% to 20% and glut in the market can wipe out entire profit.

An additional income of Rs.6,000 per year could result in savings of 15% to 20% for the average marginal farmer. This additional revenue can be put to productive use by the farmer, such as buying insurance, higher-quality inputs, children's education, repaying current loans, storing produce until market prices are favorable, and so on. This, when combined with state subsidies from various other programmes, could have a multiplier impact on the economic benefits.

This policy and program is also a step in the right direction in terms of financial empowerment for small and marginal farmers, addressing concerns such as a lack of quality inputs, labour, and monsoon reliance, as well as a lack of marketing infrastructure and affordable credit. Centre seems to have drawn a leaf out of policies by State governments of Kerala, Telangana and Orissa who already have in place such income support schemes.

It's an intermediate yet scientific approach to alleviating some of farmers' money problems. This system is not only inclusive, but also simple to distribute and is not vulnerable to leaks, as long as land records are kept up to date. While the success of this initiative needs to be proven, it is a positive step forward and a much-needed respite for the farming community.

1.15 NSSO 70th Round

NSSO 70th Round shows the monthly income (from all sources including labour, livestock, farming etc.) of farmers who own less than one hectare of land and who make up about 81.83% of the total farming population, is less than their monthly expenditure.

Agriculture cost of cultivation problems is caused by:

- **Increasing costs of cultivation:** The costs of cultivations are increasing at a significant rate. More dependency on external input, deregulation of input prices, general increase in cost of wage labour and land prices led to increasing costs of cultivation many folds.
- **Increasing risk in agriculture cultivation:** due to climate change and the unsustainable nature of modern agriculture
- **Decreasing government financial provision:** deregulation of inputs, shift towards high ticket subsidies, subsidies being embedded in inputs and inaccessibility of support systems like institutional credit for tenant farmers etc. have led to increased cost burden on the farmers.
- **Un-remunerative prices** and small agriculturalists being underprivileged in the market. Non-remunerative prices, without sufficient margins above the cost of cultivation, have been a major reason for farmers not earning sufficient income. Many improvements have been made in the CACP, and the system of Minimum Support Prices (MSP), however many issues remain with determining and delivering MSP. There is also a limitation on increasing prices of agricultural commodities, particularly on food items, considering the needs of the consumers and industry.
- **Increasing costs of standard of living:** due to general inflation, with drawl of public services in the area of primary health and primary education have led to increase in costs of living

Now, each farmer must strike a balance between all of these elements, resulting in a loss of income. However, it should be the government's policy responsibility to balance these expenses, risks, subsidies, pricing, and living costs - so that a minimal positive income is guaranteed.

Therefore, there is a need to look at a farmer Income Security as a Policy framework rather than depending solely only on pricing policy for farm produce or direct income support or

loan waivers in order to improve the quality of life of farmers. The policy should be focused on ensuring agricultural economic sustainability and stable incomes.

This would not only alleviate farmer distress, but will also create a positive dynamic in the rural economy by allowing farmers to make beneficial agricultural investments, increase their purchasing power, and retain younger in rural regions.

The policy framework should ensure that the incomes of the farmers are adequate and assured. This can only be assured when all support systems for farming, including extension services, access to productive resources at an attractive cost like water, land, and seeds, credit, insurance, marketing, infrastructure are ensured to all the farmers. This also needs a lot of improvements in the governance of current support systems, improving the last mile delivery and better targeting.

1.16 Kisan Samman Nidhi scheme The Interim Budget 2019: Impact on Agriculture

Given the government's focus on tackling the agrarian problem, a farm relief or boost package was expected in the Interim Budget 2019. The government responded to these expectations by announcing an income assistance scheme for disadvantaged farmers, walking a tightrope between fiscal prudence and populism. Under the Kisan Samman Nidhi scheme, a massive expenditure of Rs 75,000 crore for "Financial Year 2019" and Rs 20,000 crore for "Financial Year 2018" (beginning December 2018) has been declared, which will be funded entirely by the Central Government. Under this scheme, farmers holding less than 2 ha of land will receive Rs 6,000 annually in 3 instalments. This amount will be credited directly to farmers' accounts.

PM Kisan (Central Government)

Vulnerable landholding farmer families with cultivable land up to 2 hectares will get direct income support of '6,000 per year under this scheme.

1. In three equal instalments of '2,000 each, this income support will be deposited directly into the bank accounts of eligible farmers.
2. This is estimated to benefit around 12 crore small and marginal farming families.

3. The programme would begin on December 1, 2018, and the first payment for the period ending March 31, 2019, would be paid in the same year.

4. This scheme will cost a total of '75,000 crores every year.

PM Kisan use full for the small farmer

More than 72% of India's farmers fall into the group of small and marginal farmers; the figure is expected to increase to 90%. Average annual income of small and marginal farmer ranges between Rs 35,000-Rs 40,000, and the average land holding is around 1.23 ha. This is a very vulnerable section of society which is hugely impacted by various factors. Natural calamities can cause a loss of 12% to 15%, lack of marketing facilities reduces income by 15% to 20% and glut in the market can wipe out entire profit.

1.17 Government provided easy access of agriculture's loans to farmers from government institutions:

“Banks have been advised to waive security requirement for agricultural loans and Kisan Credit Card limits of up to 1 lakh. Without relating it to the value of land owned by the farmers. Institutional credit based on their assessment, have now been empowered to disburse the amount without relating it to the value of land owned by the farmers.”

“These measures, inter alia, include steps to provide hassle-free crop loans to small and Marginal farmers; Landless and marginal farmers depend more on the informal sources for credit for asset creation as compared to the medium and large-size landholders”.

Status of Farmers' Income: Strategies for Accelerated Growth states that a higher percentage of investment is carried out through informal sources of borrowings such as moneylenders, traders and input dealers by the landless (40.6%), marginal (52.1%) and small farmers (30.8%) . “It is true that these guidelines have been issued to banks by RBI. But two classes of farmers, namely tenant farmers and sharecroppers, are still largely excluded from institutional credit because they don't own land titles. We need a change in the definition of farmers to include them. Right now, they are categorized as cultivators,”

1.18 Statement of Problem

Till up to know no research studies in this district on the topic of agricultural credits farmer's problems and prospects. Sangareddy district Zeheerabad Mandal Ranjole village selected purposely in this village there are more number of mango cultivators are shifting to ginger cultivation and 20 different types of crops are cultivating. Total 325 numbers of cultivators owning agriculture land. total 325 are depending on agriculture farming. From 325 cultivators 299 are marginal farmers out of 299 cultivators 145 are cultivating in less than 40 square yards of land (less than one acre). Total number of people depended on agriculture are 841 people working as agricultural land labour in Ranjole village, out of 841 agriculture labour men are 511 and 330 women in Ranjole village. Type of Agriculture land (DRY LAND) for cultivation depended on bore well, Open well, Rain Fed and select.

1.19 Research Gap

So far there are no researches studies done in this area. There is a decline in mango productivity year on year as farmers are not interested due to the income being less.

1.20 Objectives

1. To find out the Reason why the farmers are shifting from Mango to Ginger cultivation.
2. To find out whether mango farmers cultivating inter cultivating crops and find out this crops or giving profits.
3. To find out whether ginger cultivation is profitable or loss.
4. To find out whether marginal farmers are getting agriculture credit from institutional finance and non-institutional finance.
5. To find out whether small farmers are getting agriculture credit from institutional finance and non- institutional finance.

1.21 Hypothesis:

1. The farmers are shifting from Mango cultivation to Ginger cultivation. There is a decline in mango productivity year on year as farmers are not interested due to the income being less.
2. The mango farmers cultivating inter cultivating crops and this crop are giving profits.
3. The ginger cultivation profitable to cultivators
4. The institutional finance are more than 48.50% agricultural credits are not giving to marginal farmers.
5. The small farmers are getting agriculture credit from institutional and non-institutional finance.

1.22 Methodology

So far no researches work done in this district on the topic Agricultural Credits: Farmers Problems and Prospects in Sangareddy district. Sangareddy district Zaheerabad mandal selected purposely in this district 161 number of ginger cultivating out of 325 cultivators 50 % ginger cultivators are in Ranjole village about 60% ginger comes from Zaheerabad Mandal to Telangana. A structured questionnaire was used to collect information. A random sampling method used to collect the data. There are 750 members are questioned about agriculture credits: Farmers Problems and Prospects in Ranjole village 550 farmers are responded on agriculture credits: Farmers Problems and Prospects from 550 farmers 325 farmers are taken for study area.

1.23 The Sources of the Data Collection

Statistics Abstract of Telangana Directorate of Economics and Statistics, Hyderabad Various Issues.

Data obtained from “Centre for Economic and Social Studies Hyderabad”.

House hold data took from Village Statistical officer (V. S. O.s) Ranjole village Zeherabad Mandal in Sangareddy District.

Field investigation a sample of farmers was selected covering M.R.O, Agricultural officers and Villagers in Ranjole village Zeherabad Mandal in Sangareddy District.

1.24 Period of the Study

Different institutional credits play an essential part in the financing of the Telangana state's agricultural economy. For the purposes of this study, secondary data was collected for the years 2014-2019, and all secondary data constraints were found in the study. And primary data taken year 2020 from field survey Sangareddy district Telangana state.

1.25 Chapterisation Plan

The study is divided into five chapters.

Chapter-I: Brief Introduction, Objectives, Hypothesis, and Methodology

Chapter-II: Review of the Literature

Chapter-III: Telangana state Agriculture credit related various issues.

Chapter-IV: Based on primary survey to find out the agriculture credits small and marginal farmer's problems and prospectus in Ranjole village in Zaheerabad Mandal in Sangareddy district.

Chapter-V: Findings, Conclusion, and Recommendation.

CHAPTER II: REVIEW OF THE LITERATURE

2.1 Introduction

There are number of research and other studies focusing on agricultural credit in India from diverse perspectives emphasizing one or other aspects either from bankers or from the borrowers. The area of study covered includes the present method of disbursal, production and technical efficiency, and other aspects of agricultural credit. An Overview of relevant studies based on the topic of agricultural credit of both theoretical and empirical nature, encompassing the objectives of the study has been embedded in this chapter without grouping of any form as most of the studies are of multi-dimensional in nature. The presentation has adopted a chronological mode so as to project the various aspects of agricultural credit, enveloping different stages up to the present state of affairs.

2.2 Reviews

Desai and Desai (1970) concluded that there was a fundamental scope for reallocating existing credit facilities and withdrawing institutional credit from farmers with sufficient owned resources and transferring these facilities to farmers in high need, hence increasing credit usage efficiency. It is also found that with the proper understanding of the developmental role and efficient credit allocation, more can be achieved even with the existing resources of institutional credit.

Dinesan (1971) mentions that the multi-agency approach advocated by the Government in the field of agricultural finance has thrown up many conflicts at the point of disbursing the agricultural finance. Therefore, coordination in the field of agricultural credit is found to be absolutely necessary in order to avoid conflicts among the different agencies involved in the credit operations and to avoid over financing as well as diversion.

Sharma and Srivastava (1971) analyzed the borrowing cost of agriculturists in availing agricultural loans. It revealed that the total cost incurred by agricultural borrowers in obtaining credit from banks was quite heavy. It also stated that there was a positive correlation between the credit amount availed and the cost of borrowing.

Acharya, Dhogade, and Lopes (1972) studied the credit-related problems of farmers in Maharashtra State. The study revealed that the small farmers utilized as high as 95 percent of agricultural credit for consumption while large farmers utilized only 23 percent for the same. The small and medium-size farmers were forced to use relatively substantial proportion of credit for direct consumption purposes.

Pathak (1973) looked into how farmers use lending strategies to meet their credit needs, and how commercial banks assist them. It found out that the commercial banks could not perform to bridge credit gaps of the agricultural borrowers as expected and could not provide adequate credit facilities to the allied activities of agriculture.

Shukla and Misra (1974) 'Impact of Co-operative Finance - A Case Study of a Block in Uttar Pradesh state' revealed that co-operative bank or finance to agriculture had a positive impact on agriculture inputs, farmer's income and agriculture employment of the agricultural borrowers.

Bhuvaneshwar Singh (1975) according that there is a need for bank officers to be bold in taking decisions. All agricultural proposals may be taken without wasting the time of agriculturists. Agriculturists, generally being simple-hearted people, are influenced by the sympathetic attitude of bankers and, under a sense of obligation, may return it in the form of timely repayment. But if harassed at the time of lending, they may be revengeful, and repayment will be a little bit difficult.

Chaplot (1976) studied the effectiveness of agricultural lending by commercial banks. The study revealed that farmers who hold 15 acres and more land were most benefited in the lending of commercial banks. The borrowers' capacity and profitability of the loans were not considered in fixing the repayment period. The reasons, the study identified for diversion of credit included less post-lending supervision, absence of communication and conveyance facilities. It also realized that small and medium size farmers had ranked at first in total over dues which accounted for 83 percent.

Muniraj (1976) states that proper utilization of credit usually generates higher productivity and results in better prosperity, whereas mis-utilisation will not only bring little prosperity but may ruin the farm. When such a highly responsible input is supplied to the farmers, the judgment of the institutions which extend credit facilities should be more accurate since 'over credit' will affect the farmers to divert the credits by extravagancy and in the same way, 'under credit' will also force

them to move towards unscrupulous money lenders for obtaining credit at very exorbitant rates of interest.

Narayana Kurup (1976) has made an empirical analysis of the price of rural credit in Kerala. Non-institutional entities account for an unsettling share of loan supply in the research area, according to the findings. The vast majority of institutional credit is seized by a small percentage of households in the upper echelon of society. One of the consequences of this pattern of institutional and non-institutional credit distribution among households belonging to various socioeconomic groups is that the cost of credit is inversely connected to the borrower's economic position.

Ajith Kumar Jain (1977) evaluated the recovery performance of agricultural credit and it revealed that about 75 percent of the credit was properly utilized for the specified agricultural purposes. It also analyzed the productivity of farm credit which revealed that productivity of agricultural borrowers increased by 76 percent as against that of non-borrowers, which increased by 46 percent.

Prakash Bhakshi (1977) in his study found that although 60 percent of the farmers had resorted to borrowings, only one-fifth of them had taken loans from the co-operatives. The rest had taken credit from money lenders or friends and relatives. Not only in number, but in terms of amounts provided also, co-operatives fared badly, with only 17 percent of the aggregate loans coming from them. A large portion of the loans was, therefore, taken at the usurious rates of interest. Even in such a situation, about 70 percent of the farmers felt their working capital was inadequate and that they wanted more credit.

Joy Jacob (1978) states that although all efforts to institutionalize agricultural credit. It was discovered that small and marginal farmers continued to be at the mercy of traditional loan providers, such as money lenders. Bulk of the institutional credit tends to flow into the hands of the more well-to-do farmers since they can provide adequate security and use the funds to the maximum advantage. It also states that agriculture sector, which constitutes about 70 percent of the total population, received a share as meagre as 9.6 percent of the total bank credit even after 8 years of bank nationalization.

Pardha Saradhi (1978) reveals that agricultural financing has become a necessity as well as a social obligation on the part of commercial banks. The most important aspects which require immediate attention are scientific scrutiny of proposals and provision of technical guidance,

In the absence of which the main purpose of introducing the techno-credit facility will come of a naught. It should be remembered that the liaison between the banks' technical officer and the farmer is a strong foundation on which the entire edifice of farm financing is based. In order to facilitate it, timely finance and technical guidance should be given not only in the interest of the farmers but also in the interest of the bankers.

Avadhani (1979) 'Rural Retrogression and Institutional Finance' stated that the share of large farmers in institutional finance had increased much more than that of other categories of farmers over the decade. Despite the institutional finance has benefited mostly the large farmers, their repayment performance was poorer than that of marginal farmers, some portion of their income diverted to some other than the specified purposes.

Joshi (1979) has made an analysis on repayment performance of agricultural loans. It states that the extent of default was 52 percent in dry area and 56 percent in wet area under study. As many as fourteen common reasons for the default were identified and five among them in the order of their importance were found to be (a) low yield returns, (b) settlement of other debts, (c) increase in domestic expenditure, (d) new investments in land, gold or house, and (e) failure to get non-farm income. The five important factors influencing the repayment in the order of their importance amongst the fourteen factors were (a) better yield returns, (b) wish to get further loan, (c) desire to be honest and prompt, (d) sell the produce at remunerative prices, and (e) getting income from other sources.

Mishra, Jain, and Srivastava (1980) have observed the utilization and diversification of agriculture credits in Satna District of Madhya Pradesh. Some of the Farmers borrowed agriculture credits from the land development bank for the purpose of agriculture development purpose. The agriculture credit diversion by the medium farmers was compared to big farmers loan diversification more reason was that the big farmers required more funds to manage and maintain their farm resources and they did get a chance to divert more amounts. On the other hand, the capital requirements of medium farmers were lesser than the big farmers and therefore they could divert more amount than the big farmers.

Paras Nath Singh (1980) reveals that, apart from the lack of credit facilities, which prevents farmers from taking full advantage of the available credit facilities, there are a number of other

difficulties facing the needy farmers. As they are mostly uneducated, they are generally not aware of the existence of various credit schemes meant for them. Often the procedure of securing institutional credit is cumbersome and time consuming. The other major factors which discourage farmers from approaching credit institutions are corruption, harassment of borrowers at the time of recovery of loan, high interest rates, procedural delays, lack of personal rapport between the lender and borrower, and so on. It also revealed that there was considerable diversion of production loans to non-agricultural purposes such as marriage and death ceremonies or educational and medical needs.

Vashisht (1981) in his study on utilization pattern of short term cooperative credit in an agriculturally advanced area of Punjab State, realized that 88 percent of the credit was utilized for the specified production purposes and the rest 12 percent was utilized for consumption purposes. The pattern of utilization revealed that fertilizer loans which accounted for 64 percent of the total credit was the most dominant category among production purposes. Religious and social rituals took first place among non-production uses, accounting for 5% of the total credit.

The in-depth study conducted by Zeenat Ara Dar (1981) on various credit institutions engaged in the development of agricultural economy of the state of Jammu and Kashmir from 1954 to 1980 leads to a logical conclusion that the supply of credit has not kept pace with the demand generated by introduction of modern scientific technology in agro-production techniques.

Krishna swami& Kandasami (1982) in their study, revealed that majority (72.73 percent) of the borrowers have reported that the amount of credit secured was inadequate. The extent of inadequacy works out to 56.79 percent of the total requirements. 60 percent of the borrowers who got untimely credit had to borrow from moneylenders to manage the situations and the others (40 percent) had to delay the agricultural operations. It also states that two-fifth of the amount borrowed was diverted for purposes other than agriculture. The reported reasons for such diversion were repayment of old debt (14 percent), urgency of other needs (21 percent), consumption needs (50 percent), etc. The percentage of defaulters is higher (57 percent) among the borrowers who diverted their loans. The relationship between the utilization of credit and repaying capacity was ascertained by applying the Chi-square test and it was found that the repayment depended upon the proper utilization of credit.

Muralidhara Rao and Ramanna (1982) attempted to analyse small farmers' attitude towards credit borrowing. The analysis reveals farmers diverted credits due to lack of supervision on advance credit taken for the other specific purposes and delay in providing ancillary facilities and also due to consumption loan facilities. It has been widely recognized that the productivity of production oriented loans in case of small farmers could be substantially increased by supplementing production loans with consumption loans.

Balister and Naresh (1984) evaluated the extent of indebtedness among agriculturists in rural Punjab. It states that the proportion of households under debt very high in small category of farmers and lowest in case of large farmers. It also states that 72 percent of the total credit was utilized for productive purposes and 28 percent for other utilization. Small farmers use of credit for credit other un-productive purpose very high compared with medium and big farmers.

George, Namashivayam, and Ramachandran (1984) made a study on repayment performance by agricultural borrowers in Tamil Nadu State. The study reveals that family size influences the repayment performance of both the category of borrowers, viz. defaulters and non-defaulters. The middle and highest caste farmers are comparatively lower repayers as compared to low caste farmers. The age wise analysis states that old age category is more prompt in repayment than young category of farmers.

Panda (1985) divided credit use into two groups. There will be one productive purpose and two non-productive purposes. Non-productive credit was defined as credit used for a purpose other than that for which it was borrowed.

Venugopal Reddy (1985) states that the multi-agency approach at grass root level in rural credit results in over-credit to big farmers and under or no-credit to small and marginal farmers. Hence, the latter resorted to borrowings from non-institutional agencies at exorbitant rates of interest resulting in fungibility of credit. This culminated in defaults in repayment of loans, and checking the credit delivery systems of rural credit institutions. It recommended, (a) streamlining procedures in credit delivery, (b) realistic assessment of credit requirements based on feasibility of the scheme, (c) follow up action on institutionalization of loans, (d) realistic loan repayment schedule to meet unforeseen contingencies, (e) single credit agency in the adopted village to avoid double financing, etc. for the commercial banks to make their presence worthwhile in rural credit market.

Haque and Sirohi (1986) state that the overdue as a percentage of loans are found to be more large cultivators (46 percent), medium cultivators (45 percent), and small cultivators (42 percent). Large farmers are also observed taking loans from institutional sources at legal interest rates and lending the money to marginal and small farmers and agricultural labourers at higher interest rates ranging from 100 to 150 percent.

Mishra (1986) highlights that numerous small farmers are afraid of unfavorable terms and conditions set by the bank. They may be charged a high rate of interest and taking loans involves formalities and use of influence. It also states that most of the marginal farmers (85 percent) are victims of money lenders and the few marginal farmers who obtained bank loans have explained that the terms and conditions of bank loans are unfavorable and they may not be benefited by the bank loans. They observed that the administrative and legal bottlenecks have been the main hindrances of credit from the bank and eligibility criteria of obtaining credit are too rigid.

Balishter and Roshan Singh (1987) reveal that the bank-borrowing farmers also continue to borrow from non-institutional agencies which constitute about 32 percent. Out of these, 79 percent borrowed from money lenders and traders and 21 percent from relative and friends. It also reveals the average 82 percent of the available loans from institutional agencies farmers used for productive purposes 18 percent was diverted for unproductive purposes. All categories of farmers diverted the available agricultural credit for unproductive uses. The extent of diversion of credit more of marginal and small farmers as compared to medium and large farmers. This is partly because of the compelling consumption needs of the farmers and partly because of the non-availability of certain inputs in time.

Islam and Banerjee (1987) have made an attempt to analyses the tenancy and resource use efficiency in agriculture classifying the farm households in to (i) pure owner farms, cultivating only their owned land, (ii) owner cum tenant farms, cultivating leased-in land along with whole or part of their owned land, and (iii) pure tenant farms, owning no cultivable land but leasing in all the lands they cultivate. It finds that borrowing is uncommon for pure owner farms. However, the amount borrowed per farm by them has been observed to be higher as compared to other groups. Institutional agencies have been the main source of borrowings for pure tenant farms reportedly borrowed from private sources. The number of pure owner farms borrowings from private sources has been negligible even though they borrowed from more than one sources. As regards the

utilization of credit, the pure owners have used a generous portion of their total credit for production purposes while the pure tenants have used a lion share of their credit for their consumption purposes.

Narayana (1987) he analyses the problems of agriculture loans and it is observed that there are certain bottlenecks in the free flow of credit. The requisite credit is not available to the farmers. The procedure relating to the submission of applications for loans with the certificate of ownership of land or legal possession seem to cause hardships to the loaners. In the long-term loans and the land value under assessed and the beneficiary has to go to many offices or persons to get a loan. There are rigid rules and regulations which hinder the immediate disbursement of loan.

Parkash Mehta and Raghbir Singh Prasher (1987) made a detailed study on over dues in agricultural credit emphasizing its characteristics and reasons. It finds that (a) older age category of loaners feels more responsibilities of repaying back the loan as compared to younger category, (b) the higher income group households repay the loan in time as compared to the lower income group households, (c) the defaulters do not vary from one place to another in repaying the loan, and (d) the educated borrowers repay the loan in time as compared to the uneducated borrowers. It also recommends that the loan should be provided adequately and timely, and it should be properly utilized for which it was taken. The proper utilization of the loan is as important as the provision of the loan itself.

Naga Obulu (1988) found that the priority sector advances have grown at a linear rate of 181 percent and compound rate of 25 percent between 1969 and 1984. The corresponding growth rates for agricultural sector are 122 percent and 22 percent respectively. However, the commercial banks could not improve their performance in respect of recovery. Recovery as a percentage of demand remained over 50 percentage between 1974 and 1982.

Ramasamy and Meskel (1988) analyzed the issues in respect of availing agricultural credit from commercial banks. The study found that the issues faced by borrowers were, (i) delay in delivery of credit, (ii) insufficient time for repayment, (iii) inflexibility in the structure of repayment instalments, and (iv) the lack of technical guidance. It was also shown that large farmers had easier access to commercial bank loans than small and medium farmers.

Raghunatha Reddy (1989) revealed that 44 percent of the farm credit was supplied by institutional agencies and the rest by non-institutional agencies in the year 1987-88. It also stated that the large farmers had greater access to institutional sources because of their asset position and bargaining strength. Furthermore, institutional credit accounted for 67 percent, 37 percent, and 34 percent of total loans to large, small, and marginal farmers in 1987-88, respectively.

Ramachandraa Reddy (1989) concluded that the distribution of co-operative credit to the small and marginal farmers is lower as compared to medium farmers and large farmers, and hence recommended extensive rationing of credit. It also stated that incidence and extent of default was lower among small and marginal farmers when compared to medium and large farmers. Medium farmers and large farmers of the non-borrowing category have better access to commercial bank loans small and marginal farmers of this set handicapped in the commercial bank credit market and therefore their investment is constrained by credit.

Shardha (1989) has made an analysis on the over dues in agricultural cash credit system specifying its reasons. It showed that less price in market, crop failure, repayment of past loans and banks given short time to repay old loans are the major problems of loan repayment.

Kharmawphlang (1990) small farmers barrowing credit for agriculture use but the some portion of the credit goes to family maintaining and other purpose rather then taken for the use of agriculture production purpose. Small farmers use credit for un productive or diverted compared to large farmers. Small farmers repayment capacity of the credit is less compared to large farmers credit repayment capacity. Large farmers credit repayment is more satisfactory then small farmers.

Rayudu (1991) reveals that co-operative movement in Andhra Pradesh played a significant role in solving the credit problems of the agriculturists in a great way, both in coverage of population and percentage of rural families. But it is not free from defects and limitations. In spite of its wide geographically coverage in the agricultural credit, the credit co-operatives suffer from certain weaknesses which include; delay in disbursement, procedural complexities, defective loaning policies, politics, favoritism in granting loans, illiteracy and ignorance of members, increasing over dues, inadequacy of loans, and high cost of credit.

Uduman Mohideen (1991) concluded that while there was a considerable institutional credit flow to agriculture and related activities, non-institutional sources of credit continued to have some

sway over the rural populace. This was mainly due to their supply for all purposes. Sufficiency is an important criterion in relieving farmers from the clutches of usurious money lenders. Sufficiency implies meeting all the credit farmers and also timely supply. As a result, institutional sources of credit should be able to cover all of the needs of all farmers. It also states that more importance than sufficiency is the criterion of efficiently in the use of credit. These have pointed out the need for technical advice, supply of inputs and follow up to prevent diversion of productive credit to unproductive purposes. Therefore, efficiency in use of credit needs organizational changes in credit supply and follows up. Institutional financing agencies should evolve a common strategy in providing credit along with other technical supporting services, keeping in view the conservative decision-making attitude of the farmers in general, and of small and marginal farmers in particular.

Hans Binswanger and Shahidur Khandker(1992) reveals that, despite India's amazing accomplishment in removing moneylenders, institutional financing is still far from reaching all farmers. The supply-led structure of agricultural lending adopted during the last three decades, on the other hand, has certainly benefited present borrowers and farm households who were formerly indebted to private moneylenders. It has also boosted fertilizer use and agricultural investment. However, it has had less success in establishing functional institutions and in creating agricultural jobs.

Rayudu (1992) (1992), the effectiveness of cooperative credit movement is largely determined by recovery performance. The poor recovery performance not only leads to chronic overdue problem but also affects eligibility to draw fresh loans from apex and other financing agencies like NABARD. One of the most disquieting characteristics of the banks under study in the management of loan operation has been the unsatisfactory recovery trends. It also demonstrates that the volume of overdues has increased significantly. In the region as a whole covering 12 sample units the amount of over dues in case of agricultural development banks increased from 48.68 lakhs in 1977-78 to 335.03 lakhs in 1986-87, while the over dues to instalment demand moved from 15.62 percent in 1977-78 to 50.96 percent in 1986-87.

Hem Chandra Lal Das (1993) indicates that provision of organized, timely, and low-cost finance is critical to agriculture's development. Agriculture credit is critical in India for sustaining and stabilising agricultural growth and development, particularly when it is combined with improved

production technologies. In fact, with the break-through in agricultural production technology in the mid-sixties, agricultural credit becomes more productive than ever before. It also reveals that in India there is no single organised agency to meet the financial requirements of farmers. At the same time majority of farmers have to depend up on money lenders to fulfil their financial needs.

Khusro Committee (1993) suggests that human resource development should be given more emphasis in order to improve the quality of agricultural credit system. It lays more emphasis over the pre-lending appraisal and strict monitoring of credit and recoveries. It also suggests that, (i) more autonomy should be given to the branch managers regarding sanctioning of loans, (ii) the norms and procedures of lending should be reviewed and simplified, (iii) the information system in the banks should be improved, (iv) a separate credit guarantee scheme should be formulated, and (v) crop insurance scheme should be started.

Jayarami Reddy (1994) identified various problems faced by the bankers and the beneficiaries with regard to agricultural finances provided by commercial banks. Identification of the needy and genuine borrowers, indiscriminate selection procedure due to political pressures and other factors, indefinite delay in sanctioning credit due to non-submission of required certificates and documents like no-dues, clear title deeds, non-encumbrance, etc. were the important problems faced by the bankers. The problems faced by the borrowers in securing credit include no awareness about loan programmes, rigid procedure of availing credit, gap between the date of application and the date of sanctioning of loans, and great delay in the disbursal of loans.

Joy Joseph (1994) in his study classified the defaulters in to two, i.e. wilful and non-wilful defaulters. On analysing the nature of default, The bulk of defaulters (58.67 percent) were found to be non-willful defaulters. However, when the total overdue amounts of the selected defaulters were calculated, 53.86 percent came from willful defaulters and just 46.14 percent came from non-wilful defaulters. Farmers with bigger land area, better education, other career, younger age group, high loan amount, high family expenditure, high total income, extended delay in recovering the loan, and those who are unsatisfied with the bank's services have a higher rate of wilful defaulters. It further claims that many of the defaulters (35 percent) have used the project's income for personal purposes rather than paying the outstanding instalments. Approximately 40 percent of medium farmers, 33.33 percent of large farms, and 32.67 percent of small farmers diverted the project's profits.

Ramachandra Reddy (1995) reveals that there has been a growing tendency to use agricultural credit as an instrument for achieving short term democratic objectives. However, the measures on the part of Governments, such as waiving of agricultural credit, concessions and relief declared by political functionaries from public platforms, legal stay orders in the process of recovery, disbursal of credit at the hands of political dignitaries in 'loan melas', etc. have vitiated the recovery climate. It suggests; (i) obtaining a consensus among all political parties to ensure proper utilisation of credit, (ii) to formulate concrete long term policy by the Governments for recovery of agricultural credit, and (iii) to stop 'loan melas' and other mass programmes for credit disbursal in order to relieve the banks from harmful effects.

Kulwant Singh (1996) According to his article, 38.3 percent of borrowers fully utilise credit, while 43.4 percent entirely misappropriate credit. 18.3 percent is determined to be partially used. According to the study, the first two major productive reasons for which 45 percent and 24 percent of borrowers used their credit were the purchase of agricultural materials and tools and the purchase and development of land. The most common unproductive uses of credit are for social and religious ceremonies, as well as the purchase of vital commodities, which are used by 49 percent and 26 percent of borrowers, respectively.

Misra and Puri (1996) find that the control of usurious capital is very strong in Indian agriculture and indebtedness is a common legacy of poor farmers. Because of a variety of causes, small and marginal farmers continue to rely heavily on money lenders to meet their credit needs, making them vulnerable to abuse by the latter. Money lenders incur high interest rates, manipulate accounts to their benefit, and frequently confiscate land from tiny and marginal farmers under various pretexts.

High Level Committee of Reserve Bank of India (1997) disclosed that the agricultural credit flows by commercial banks have decreased due to; (i) insufficient authority of the branch manager to finalise granting of loans, (ii) procedural complexities, (iii) lack of freedom to fix the rate of interest on all loans as it is being done in the case of co-operatives and regional rural banks, and (iv) duly connected with registering mortgage. Moreover, 'Service Area Approach' restricts the borrowers' freedom to depend any bank up on the discretion. The committee made many recommendations which include; (i) to deregulate interest rates, (ii) to let banks offer facility in built-loan products, (iii) design a customised agricultural credit plan to speed up credit flow; (iv)

give the bank the option of obtaining a nodues certificate and (v) to modify 'Service Area Approach' to provide a choice of bank to the borrower.

Malhotra (1998) made a study to examine the problems faced by borrowers in availing agricultural finance. He identified the problems faced by agriculturists which include; difficulty to provide securities and guarantors, inadequate credit, problem of cost and profitability, problem of using funds, ignorance as to terms and conditions, delay in getting credit, preference to large farmers, and improper repayment schedule.

Meenakshi Rajeev and Sharmistha Deb (1998) reveal that 38 percent of the total numbers of marginal farmers have taken credit from commercial banks. This percentage, however, decreases initially (to 27 percent) as the landholding size increases, but increases steeply (to above 70 percent) for the rich farmers. Thus, concerning of low interest-bearing formal sector credit by the economically well to do classes is evident even the small sample taken for the study.

Singh (1998) Examine agricultural lending in light of farmer suicides caused by crop failure and debts. The study found that the size of land holdings has influenced highly the amount of credit availed from banks by the agriculturists. Even while marginal, small, and medium farmers meet their per-acre capital needs primarily through credit, the majority of farmers rely on non-institutional sources to meet their credit needs. The cost of credit varies by farmer group, with the cost of credit being relatively high for marginal and small farmers and cheap for large farmers.

Lakshmi Narasaiah and Venkata Naidu (1999) reveal that the majority of the respondents expressed satisfaction regarding the terms, conditions and procedures of getting loans, but they experienced certain difficulties in securing loans, which include indifferent responses of the bank officials, repeated visits for securing the loan, margin money requirement, bureaucratic hurdles etc. But the repayment performance in the agricultural sector is not satisfactory as only 36.41 percent of the total financial assistance was repaid by the beneficiary households.

Vasanth Gandhi (1999) identified that 'Agricultural Credit Waiver Scheme' of the Government in the past for political reasons was a crucial problem and it punished the non-defaulters rather than the defaulters. The performance of Self-Help Groups with regard to overdue and utilisation of credit was better than other categories of borrowers. It suggested that; (a) prompt payers should be rewarded by incentives, and for delayed payment certain charges should be levied through a graded

incentive system of discounts and interests, and (b) an association between long term loans and crop loans is needed and should be maintained by the banks.

Gagan Sahu and Rajasekhar (2000) analyse the factors affecting institutional credits and agricultural income. study revealed that the gap between credit and investment occurred mainly due to mis-utilisation of credit followed by inadequate and untimely credit to farmers. The concessional or subsidised interest rate also increased the gap between credit and investment as well as income and repayment. It narrated many suggestions to overcome the problems which include, (i) increase the post sanction supervision, (ii) giving more emphasis to the quality of credit delivery system, (iii) encouraging 'Group Lending' programmes, and (iv) on time credit.

Jagdish Kapoor (2000) Loan delinquencies and low repayment are also caused by natural calamities such as droughts, floods, and other natural disasters, according to the 'RBI's Report on the Task Force to Study the Cooperative Credit System and Suggest Measures for its Strengthening.' As a result, an institutional framework must be in place to assure a continuous credit flow to these borrowers. NABARD had introduced a scheme known as 'Cyclical Credit' for meeting the production credit needs of farmers on a pilot basis in 1988-89 to ensure that the farmer did not face any financial constraints and that the financing agency stood by him in providing the required crop loan, despite the repayment difficulties caused by natural calamities. The scheme was not continued after the pilot stage. As a result, the research advises that NABARD considers resurrecting the scheme.

Kumar and Simon (2001) The article 'Agricultural Finance and Total Credit Requirements of Farmers - A Study Based on Kisan Credit Cards' emphasised the importance of Kisan Credit Cards in enhancing the rural credit delivery system. It was discovered that small farmers with low incomes benefited the most from the scheme when compared to other types of farmers. However, the payback was slow, and credit misuse was becoming a major issue.

Srinivasa Vallabha (2001) made a study on pattern of default in agricultural credit. He identified certain factors leading to defaults and over dues viz. delay in sanctioning of credits or non-sanctioning of new credits, failure of crops, fall in agricultural prices, utilisation of credit amount for other purposes by the borrowers, and expectation of the borrowers on waiver of credit by the banks.

Joy Joseph Puthussery (2002) has attempted to investigate the causes of overdues in Kerala's Primary Agricultural and Rural Development Banks. According to the investigation, the main causes of large overdues are changes to the subsidy system, willful neglect, high family expenditure, revenue diversion from the project, and incorrect government policy. Lack of supervision, inadequate leadership, a lack of personal touch, and an incorrect financial scale are all factors that contribute to growing overdues. Defaulters' unhappiness with the bank's overall services has an impact on their repayment attitude.

Vimala (2002) in her study found that the loan amount was adequate only for 24 percent of the borrowers. Due to inadequacy of loan amount, 46 percent resorted to other forms of financing, of which 23 percent raised it from money lenders, 22 percent from other financial agencies and 1 percent from personal savings. It was also discovered that the vast majority of borrowers used their loans for the purposes for which they were approved. 19 percent of the borrowers have diverted it for unproductive purposes. The diversion and misuse of loans have been due to inadequate supervision, weak financial position of the borrowers, priority to some other needs, and deficiency of credit advanced.

Hanuantha Rao (2003) According to the report, institutional sources meet around 60% of agriculturists' loan needs, with the remaining 40% coming from informal sources such as money lenders who demand excessive interest rates. Small and marginal farmers rely on informal sources significantly more heavily. Among the official credit institutions, commercial banks have emerged as a key participant in agricultural credit (about 50%), followed by co-operative banks (approximately 43%) and regional rural banks (approximately 7%). It also states that Kisan Credit Card Scheme does not seem to be succeeding in its avowed purpose due to various restrictions and stipulations. Its operation seems to be limited to only fertilisers from specified shops. A more farmer friendly credit card system needs to be implemented so as to reap the purposes of the scheme.

Naqi Uddin (2003) conducted a study on Regional Rural Banks and Development in Uttarkhand. According to the report, the sample Regional Rural Bank's advances for agricultural and related operations have increased steadily during the last five years. It also states that farmers have utilised these loans for the purpose for which it had been taken and started using improved techniques of production. Borrowing from money lenders discontinued due to working of the bank. But small

loans have decreased during the last five years which shows negative attitude of bank towards small farmers and agricultural labourers.

Gagan Bihari Sahu (2004) In his study, he found the major issues that farmers encounter before and after receiving loans, including cumbersome procedures, a lack of prior expertise, the bank's remote location, and delayed and inadequate loans. The disbursed loan amount was deemed inadequate by 56.50 percent of the 200 farmers polled, and loans were deemed late by 49 percent. The flow of formal credit was insufficient to match the production costs of peasant farmers engaged in cultivation, according to the findings. They resorted to self-financing, borrowing from the informal market, or both to cover the remaining costs, or they settled for inferior investment.

Rakesh Mohan (2004) conducted a review of agricultural credit performance in India, finding that while the overall flow of institutional credit has increased over time, there are several gaps in the system, including insufficient credit to small and marginal farmers, a lack of medium and long-term lending, limited deposit mobilisation, and major agricultural credit purveyors' heavy reliance on borrowed funds. These have significant ramifications for agricultural development as well as the well-being of farmers. As a result, efforts must be made to address and correct these problems.

Badatya (2005) highlights that the problem of overdue has to be dealt with care and scarcity-induced genuine over dues deserved to be dealt with differently from the other more deliberate type of over dues. During and after drought, as the demand for credit goes up, moneylenders become active and start exploring the already underprivileged farmers, charging higher interest rates.

Hatai, Singh, Sen, and Dixit (2005) analysed the reasons for default with regard to agricultural finance categorising wilful and non-wilful default. It stated that wilful default was caused by banks' tardiness in recovering funds, diversion of revenue for other purposes, and uncertainty about new credit, whereas non-wilful default was caused by a variety of factors; low yield from crop, crop failure, natural calamities and insufficient credit. It also revealed that more than 80 percent of the credit was utilised for the specified agricultural purposes and the balance was diverted for some other purposes.

Hanumantha Rao (2006), credit to rural areas and agriculture has increased significantly in absolute terms, despite the fact that rural areas' percentage of overall bank credit has decreased. It

also reveals that the prominence of money lenders in credit market has gone up both in terms of percentage of farmers receiving loans (17 percent in 1991-92 to 29 percent in 2002) and their share in total debt. In India about 56 percent of the debt was received from formal institutions and it was 96 percent in Kerala.

Rakesh Mohan (2006) In his study on agricultural credit in India, he found that, while the reach and volume of agricultural loans have grown over time, a number of flaws have emerged, threatening the viability and sustainability of lending institutions. Furthermore, there are various flaws in the agricultural credit delivery system, including insufficient credit to small and marginal farmers, a scarcity of medium and long-term financing, and big agricultural credit providers' strong reliance on borrowed capital. All of this has significant ramifications for agricultural progress as well as the agricultural community's well-being. As a result, far more effective approaches are required to address and resolve these problems.

Palanivelu (2007) recognized the problems faced by the respondents in availing and repaying loans, viz. biased attitude of the officials, want of more documents for collateral securities, expecting commission, postponement in sanctioning the credit, inadequate quantum of credit amount, stringent action taken against the weaker sections, and loans not sanctioned for the required period. It also stated that 39.7 percent of the respondents opined that they had obtained their loans from the bank only through special recommendations of the bank officials and it is followed by 31.3 percent of the respondents who revealed that they had obtained loans only through nepotism and favoritism to the relatives of the bank officials.

Ramesh Golait (2007) Analyses the problems with agricultural credit in India. According to the findings, financing to the agriculture sector continues to be insufficient. The financial industry appears to be cautious to provide credit to small and marginal farmers for a variety of reasons. The situation necessitates coordinated measures to increase finance flow to agriculture, as well as the exploration of innovative product design and delivery ways through better use of technology and related processes. It also reveals that the flow of investment credit to agriculture is hampered by a number of factors, including high transaction costs, structural flaws in the rural credit delivery system, creditworthiness issues, a lack of collateral due to farmers' low asset base, low loan volume with higher risks, and high manpower requirements.

Mahadeva Murthy and Veena (2008), timely receipt and utilisation of loans is a critical factor in determining the tangible benefit of loans. It shows that 85.90 percent of customers were approved for loans within four weeks of submitting their applications to the bank. The utilization of loans by borrower's shows that minor irrigation loans were fully utilised. There was a high degree of mis-utilisation of borrowed loans against land development and improvements. Thus the total loans properly utilised formed 75.80 percent and those diverted for other purpose amounted to 24.20 percent.

Mathew Joseph (2008) many regions and kinds of farmers are completely outside the institutional credit delivery networks, according to the research 'Financial Inclusion for Inclusive Growth.' Millions of farmers are still affected by high interest rates and a significant debt burden. The banking sector needs to take this issue seriously and come up with creative solutions. They must reach out to farmers in every part of the country and offer financial solutions that meet their needs. They have to recognise potential in an underserved market.

Sudharsu Kumar Das and Bimal Prasad Nanda (2008) the failure of Orissa's Regional Rural Banks to accelerate agricultural credit has been shown. Staff indifference, corruption, a lack of specialised and competent staff members, and a callous attitude toward serving the rural poor are the most serious problems that these banks face in the state. Increased agricultural credit defaults, as well as the terrible living conditions of the rural poor, have limited the quality and amount of credit available to the agricultural sector. It also demonstrates that the extra caution and care with which loan proposals are handled causes a delay in the flow of agriculture financing and diverts funds to consumer requirements.

Vasudeva Naidu, Rukmani, and Sailaja (2008) observed that, out of the total sample respondents, only 30 percent have utilised their loan amount to agriculture purpose and the remaining 70 percent have used their loan amount to utilise for other purposes.

Abhiman Das, Manjusha Senapati, and Joice John (2009) in an econometric framework, the influence of direct and indirect agricultural credit in agricultural production was investigated, taking into account regional inequalities in loan disbursement and agricultural productivity. According to the findings, the quantity of direct agricultural loan has a favourable and statistically significant impact on agricultural output, and the effect is instantaneous. The number of indirect

agricultural credit accounts has a positive significant impact on agricultural output as well, but with a year lag. It also reveals that, despite several flaws in the current institutional credit delivery system, such as insufficient credit to small and marginal farmers, a lack of medium and long-term lending, limited deposit mobilisation, and major agricultural credit providers' heavy reliance on borrowed funds, agricultural credit continues to play a precarious role in supporting agriculture production in India.

Jayaraj (2009) Sree Anantha Grameena Bank was used as a case study for a study on the impact of institutional lending on agricultural production. According to the study, institutional credit is not exploitative, and the primary goal is to assist farmers in increasing their output and increasing their revenue. The study also states that the credit facility extended by the bank has improved the status of farmers by way of improvement in the agricultural output during the study period.

Paramasivan and Sacratees (2009) drew attention to India's agricultural crisis. Debt is the most serious problem in Indian agriculture, and it is the leading cause of farmer suicide. Increasing input costs, falling commodity prices, and a lack of adequate credit facilities force farmers to turn to private money lenders who charge excessive interest rates, trapping them in debt. Farmers borrow again to settle their obligations, trapping themselves in a 'debt trap.'

Singh (2009) revealed that the extent of diversion of credit by the farmer borrowers were accounted as 14.08 percent, 16.33 percent, 13.48 percent, and 14.19 percent for marginal, small, medium, and large farmers respectively. The reported reasons for diversion by all categories of farmers include; consumption purpose (60 to 84 percent), delay in disbursement of loan (27 to 48 percent), inadequacy of loan (16 to 27 percent), and lack of proper technical guidance and supervision of bank officials (40 to 60 percent).

Sivakumar (2009) in his study showing that a majority of the respondents have made the view that the banks followed hard procedures to distribute the agricultural loans to the farmers in Koviloor village. On the other hand 40 percent of the respondents revealed that the banks take long time to distribute the agricultural loan among the farmers in Varanasi village. It also reveals that a major part of the respondents spent the agricultural loan mainly for the family needs, and the main reason for the same is that there is no regular or proper income for the farmers in the study villages.

Arjinder Kaur (2010) has made an attempt to study the growth, structure, and cost of agricultural credit in Punjab. The Punjab state 28.44 % of people diverted the borrowed agricultural credits for construction of new houses has emerged as a major cause of diversion followed by consumption needs, social or religious ceremonies and medical expenses. For 29.68 % of the people agriculture credit sanction amount is not sufficient they borrow from non-institutions sources.

Hanumanthappa (2010) in his study, 'Rural India Indebtedness, Farmers Suicide in Karnataka, Causes and Consequences - A Critical Analysis', states that 318 farmers committed suicide in Karnataka during 2008-09. Debt has been the major factor leading to suicide by farmers. Fertilisers' shortage, fluctuations in prices of crops, delay in procurement of produce have some of the factors that led to the farmers' suicide.

Jaynal Uddin Ahmad (2010) According to the report, banks' recovery positions in the study region are unsatisfactory, and this is discouraging to other critical sectors. Non-recovery of loans is mostly caused by monsoon failures, natural calamities, intentional neglect, and shortcomings in lending policies. Other issues that contribute to poor recovery include a lack of oversight of fund end-use, faulty loan application processing, political influence, and a communication gap between the lender and the customer.

John Mathew (2010) made a study on agricultural financing by commercial banks in Kerala from borrowers as well as bankers level. The borrowers level analysis revealed that; (a) about one-third of the borrowers faced difficulty in getting agricultural credit from banks, (b) 86 percent of the borrowers experienced delay in disbursing agricultural credit, which have affected their agricultural operations, (c) the credit amount availed was inadequate for 41 percent of the borrowers, (d) there was full diversion of credit by 14 percent of the borrowers, and (e) the agricultural credit has made a positive impact on the income of the majority of the borrowers. The bank level analysis revealed that the majority of the banks had less than 2 percent NPA in their agricultural financing.

Patil (2010) points out that institutional credit is considered as an important tool for promoting changes in the farm sector and essential for its development. This is particularly true in areas which could not participate in the process of development. It also reveals that institutional agricultural credit is not sufficient to the farmers and there is an urgent need to increase institutional credit

flow to agriculture sector. It suggests; (a) ensure timely credit and increase flow of credit to the farming sector, (b) the quantum of credit should not be excessive in relation to the needs of the farmers and their repaying capacity, and (c) proper supervision of the utilisation of loan fund should be arranged.

Ramakrishna (2010) examines the role of institutional credits in the socioeconomic development of small farmers in Mysore District. It concludes that agriculture credit plays a vital role in the overall socio-economic development of small farmers in the study area. It shows that some of the farmers are dependent on money lenders for agricultural credit. There is a need to strengthen the institutional credit for agricultural and allied activities and need based Agricultural Credit System should be provided to small farmers. However, in the study it is revealed that the advances lend by various banks and co-operative sector have an impact on the socioeconomic conditions of small farmers.

Kaur Gurmeet (2011) attempts to analyse farmers suicides in rural Punjab. The study revealed that all the suicide victims were under heavy debt both from institutional and non- institutional sources at the time of suicide. Only 5.71 percent farmers repaid their loan. Majority of the farmers (94.28 percent) were unable to repay their debt backed many reasons, only 10 percent of large farmers followed by medium (6.86 percent) and small (5.25 percent) farmers had repaid their debt. As the reasons for non-repayment of credit were concerned majority (28.90 percent) of the victims were unable to repay their debt due to natural calamities followed by poor financial position (23.78 percent), low income (21.21 percent), reduction in yield (13.05 percent), and expenditure on social events (11.89 percent), drug addiction (11.89 percent), and more cost of production (0.23 percent).

Mohammad Awais (2011) conducted a study on socio-economic conditions of tribal farmers of UP State. It reveals that, in both districts under study, majority of tribal farmers are availing credits from commercial banks. Local money lenders are another major source of credit followed by neighbours, co-operative societies and relatives in Bijnor District. In Udham Singh Nagar, co-operative societies are another foremost source of credit followed by the local money lenders, neighbours and relatives. The trend shows that tribal farmers trust on commercial banks as compared to other sources of credit.

Rasal Onkar Jeevan (2011) in his study, states that, in Punjab the share of non-institutional sources in agricultural lending increased substantially. The money lenders charged higher rate of interest from 36 to 120 percent per annum, therefore the principal amount becomes double within a short span of time. Around 52.10 percent of farmers are indebted through non-institutional sources. It also found that Kerala had a lesser reliance on money lenders for borrowing, with only 7.40 percent compared to the national average of 25.70 percent.

Sasirekha (2011) in her study observed that there is inordinate delay in the sanction and disbursement of loans. This is because several formalities have to be fulfilled by the borrowers prior to sanction of the loan. The performance of banks with regard to recovery of agricultural loans has shown a tremendous improvement. The percentage of recovery has increased from 79.10 percent in 2002-03 to 90.76 percent in 2006-07 as regards public sector banks. The study suggests that the recovery performance of the rural branches can be improved by means of provision of timely and adequate finance for productive purposes. The rural borrowers are very much concerned about getting timely and adequate finance and they would be prepared to pay even a higher rate of interest.

Silony (2011) finds that it is not only the cost of credit that matters, but timeliness and adequacy of credit are equally important factors. Delay in loan disbursement and inadequacy of loan lead to diversion of loans towards unproductive spending and the borrowers would be forced to borrow the balance money from money lenders. The main reasons for the delayed disbursement were excessive documentation and lack of powers with the bank managers. To provide the loan in time, it is suggested that the bank should reduce their excessive documentation during the loaning process and sufficient powers should be given to managers at the branch level so that they can sanction the loan without any delay.

Vanitha (2011) According to her article, institutional lending has failed to keep up with the expanding credit needs of small and marginal farmers. This is primarily due to the government's withdrawal from social banking. As a result, farmers have grown considerably more reliant on informal loan sources, such as money lenders and other intermediaries, who often demand significantly higher interest rates. The cumulative outcome has been a dramatic increase in debt burdens and greater distress among the poorer rural populations.

Boraiah and Dananjaya (2012) made an analysis as to the extent of utilization of co-operative credit by the loaned farmers. It shows that the farmers with larger size of land holdings are more cautious about the proper utilization of loan for productive purposes. It also reveals that 28 percent of loan was mis-utilised by about 43 percent of the farmers. More percent of diversion was found in marginal farmers and large farmer's category. But the diversion rate is relatively lesser in case of small and medium size farmers. The reason for diversion in the marginal farmer category is that they had to meet their basic needs with their meagre resources, which were insufficient, whereas the reason for diversion in the large farmer category is that they willfully miss-used credit in anticipation of government loan waiver schemes.

Lavleen Kaur (2012) found that a vast number of formal institutional organizations, including as cooperatives, regional rural banks, scheduled commercial banks, self-help groups, and so on, are active in supporting the farmers' short and long-term requirements. Despite these efforts, there is a strong reliance on non-institutional sources. The share of institutional credit climbed from a little over 7% in 1951 to over 68 percent in 2010, despite a significant drop in non-institutional lending from around 93 percent to around 30 percent during the same period.

Majeesh (2012) has attempted to assess the performance of Kerala's Regional Rural Banks, taking into account both the South Malabar Gramin Bank (SMGB) and the North Malabar Gramin Bank (NMGB). According to the report, 21% of NMGB customers and 16% of SMGB customers used the entire loan amount for purposes other than those for which it was approved. In the case of agricultural gold loans, the level of misappropriation is larger. Agricultural gold loans were taken out by 71 percent of NMGB customers and 63.16 percent of SMGB customers who used the loan amount for reasons other than those for which it was approved.

Mary Suganthi Bai (2012) in the article, 'Agricultural Finance: A Micro Study', reveals that the disbursement of loan by the public and private sector commercial banks was greater than their allocation during the period under study. It also demonstrates that small and marginal farmers are unable to provide the banking sector with the necessary assurance. Even when small loans are sought from commercial banks, the procedure is so time-consuming that most farmers, who are illiterate or semi-literate, are hesitant to use these services. Commercial banks ask for a lot of information and data and in this situation, the farmers were forced to borrow money from money lenders at exorbitant rates of interest.

Rajwinder Kaur (2012) in his study, found that most (59.59) of the farmers have taken loan from non-institutional sources, while 40.14 percent from institutional sources. The study revealed that 48.18 percent of total farmers have acquired the credit from co-operative societies followed by 27.74 from commercial banks, 19.71 percent from regional rural banks, and 4.38 percent from land development banks. In case of non-institutional sources, majority (63.86 percent) of total farmers have taken loan from commission agents or money lenders followed by 13.86 percent from relative and friends, 13.37 percent from landlords, and 8.91 percent from cloth merchants or grocers etc. Although the rates of interest charges by institutional sources are very less, yet the farmers prefer taking loans from non-institutional sources.

Sankaraiah and Narendrakumar (2012) have made a detailed analysis of rural credit in Andhra Pradesh. It finds that the small and marginal farmers have repaid their loan to the amount of 34.39 percent and 38.54 percent respectively, while large farmers repaid 63.42 percent of their total loans. The small, marginal and large size farmers have overdue to the tune of 65.61 percent, 61.46 percent and 36.58 percent respectively. The borrowers who repaid the loans were 41.67 percent, while 58.33 percent of borrowers were not repaid their loan amount. It is recommended that proper identification and evaluation of repayment capacity of the farmers should be analyzed before giving them adequate loans.

Sirajudeen (2012) in his study on working of financial intermediaries in the agricultural development of Kerala, remarks that the amount of credit for various crops is inadequate for certain crops. Diversion of credit for other purposes of both types, i.e., fully or partly, in all types of credit by the agricultural borrowers is a common spectacle and the right utilization of credit by the borrowers resulted in generation of desired incremental income as expected. It also reveals that with regards to both investment and production credit there exist defaulters in repaying the credit.

Rabindra Kumar Mishra (2013) states that credit deficit is found across the farm sizes and villages under study. Furthermore, the institutional farm credit availed by the farmers in the village under study is not adequate to meet the cost of production. Despite the fact that institutional farm credit enhances farmers' purchasing power, there is an increase in the usage of various inputs during the post-loan period, which may be related to this. It suggests that farm financing is one of the most important elements in increasing rice output in the area under investigation.

Omprakash and Kalaimohan (2013) reveal that agricultural credits provided by the co-operative banks are no way beneficial to the farmers. They prefer agricultural bank to co-operative bank because the credit rate of interest is much higher and the loan is not disbursed in time to the farmers. The farmers have to fulfil so many formalities to get loans from the cooperative society. The study suggests that the conditions laid down by the co-operative societies must be relaxed and reformulated in such a way that ordinary farmers can profit by the co-operative societies. The loans must be sanctioned in time without any delay and the officials must be very sympathetic and understanding towards the farmers which are very lacking now.

Baligatti (2014) states that the role of formal sources of credit is crucial in growth of agricultural sector. Non-availability of adequate finance at an affordable cost has forced the farmers to depend heavily on the informal source to meet their credit requirements. It claims that non-institutional credit has decreased from 92.7 percent in 1951 to 38.9 percent today (2002). It's worth noting that the percentage of money lenders has decreased from 69.7% in 1951 to 26.8% today (2002). Still they are playing a key role in extending rural credit which is having an adverse impact on the farming community in terms cost of finance and depriving of farmers from some government schemes.

Jagan Kanthi (2014) reveals that the first and foremost contributory factor for farmers' suicide is their indebtedness. A farmer committed suicide because of debt trap, since the loan outstanding piled up over a period of time. The farmers "major source of loan" is the private sources and the rate of interest is considered to be usurious. It also states that about 77 percent of the selected farmers are reportedly not getting institutional finance. About 43 percent of the farmers stated that the institutional finance they get is adequate for their cultivation purposes. About 90 percent of the farmers reported that they do not get credit in time, which is so essential for taking up timely farming operations.

Ratanlal Godara, Pratap Singh, and Sanjay Singla (2014) found that; (i) Only 58% of small farmers, 79% of marginal farmers, and 96% of large farmers have access to formal loans. The reasons were: 83 percent of small, 78 percent of medium, and 87 percent of large farmers rely on informal credit; (ii) 83 percent of small, 78 percent of medium, and 87 percent of large farmers rely on informal credit; (ii) 83 percent of small, 78 percent of medium, and 87 percent of large farmers rely on informal credit; (ii) 83 percent of small, 78 percent of medium, and 87 percent of

large farmers (moneylenders and commission agents). The main reasons were a lack of access to agriculture credit, insufficient agriculture credit, low crop prices, an inefficient and corrupt agriculture marketing system, and crop failure; (ii) 30 percent of small, 53 percent of marginal, and 47 percent of large farmers mis-used the loan on purchasing assets, consumption, and house construction, as well as repaying old debt. Around half of the farmers used the loan to pay off old debts, and (4) 70 percent of small, 47 percent of medium, and 53 percent of large farmers paid their loans on time. Overdoes affect medium farmers more than large farmers, who are followed by small farms.

Radhakrishnan (2015) states that increase in the target of agricultural credit from 8 lakh crores in 2014-15 to 8.5 lakh crores for the year 2015-16 is a healthy sign. But the credit along with other factors is to be strengthened for an overall development of the agricultural sector. Agriculture's pain reflects the country's overall distress; hence this phase requires immediate action. This substantial funding allocation in the agricultural sector is bolstered. But implementation of best policies is needed.

Sakshi Sharma (2015) 'The Interest Subvention Scheme launched by the Government of India as an incentive to farmers for early repayment has not assisted in enhancing the asset quality in the agricultural sector, according to the report 'Priority Sector Lending and Situations of Agricultural Credit in India.' Over the last few years, the NPA ratio in agricultural lending has consistently increased. It also demonstrates that agricultural developments have recovered by around 75% in the last five years and that they still need to be improved.

Sharmishtha Matkar and Anil Keshav Jadho (2015) examined the state of agricultural financing in India and the issues that it faces. It highlights the reality that credit to the agriculture sector continues to be insufficient. The financial industry appears to be cautious to provide credit to small and marginal farmers for a variety of reasons. This situation necessitates a concerted effort to increase the flow of credit to agriculture, as well as further research into product design and credit delivery systems that make greater use of technology and related processes.

Sudha Narayanan (2015) In India, research is being done on the productivity of agricultural finance. It suggests that credit's potential to engineer agricultural GDP development is hampered by a productivity and efficiency challenge, in which increases in input usage and changes in the

pattern of input use are not yet translating into greater agricultural GDP. As a result, credit seems to be a facilitating input, but its usefulness is hampered by poor productivity and technological efficiency.

Lavanya (2016) agricultural indebtedness in Andhra Pradesh disclosed that all the farmers, revealed that adverse seasonal conditions such as delayed monsoon were the major reason for crop failure leading to indebtedness. It also revealed that; (i) about 96 percent of small, 87 percent of medium, 86 percent of large, and 91 percent of pooled farmers stated that high cost of cultivation was the reason for debt accumulation, (ii) all small farmers, 69 percent of medium, 34 percent of large, and 78 percent of pooled farmers revealed that dependence on private agencies was the major reason for indebtedness, and (iii) about 96 percent of small, 37 percent of medium, 42 percent of large, and 77 percent of pooled farmers felt that high rate of interest charged by private agencies was yet another major reason for indebtedness.

Praveen Kumar (2017) despite the current scenario in the nation, which includes a rise in the number of banks and their coverage, the majority of the farming community remains outside the framework of these financial institutions. These banking institutions are unable to assist small and marginal farmers with agricultural finance. Financial institutions are hesitant to provide loans because they lack enough resources and are concerned that doing so might increase their non-performing assets.

CHAPTER III: TELANGANA

3.1. Telangana State and Districts Profile:

The Telangana region was part of the erstwhile Hyderabad State from 1948 to 1956. The Telangana area was combined with the state of Andhra Pradesh in 1956 to become the state of Andhra Pradesh. The AP Reorganisation Act of 2014 reorganized the state of Andhra Pradesh by bifurcating it into two states, Andhra Pradesh and Telangana, and dividing all assets and liabilities of the erstwhile state of Andhra Pradesh between these two states. Specifically, with respect to land administration, AP reorganization Act provided that all land situated within the “transferred territory” will pass to the state of Telangana, and in any other case, will remain the property of the state of Andhra Pradesh. It also provides that the right to recover arrears of land revenue shall belong to the state in which the property is situated. Further, both the governments of both the states were given a period two years within which they could adapt any law that was in force prior to the bifurcation to their respective state. Pursuant to this, the Telangana government passed the Telangana Adaptation of Laws Order 2016, adopting a series of laws that were applicable to the Telangana regions of the erstwhile state of Andhra Pradesh, including several laws that applied to the administration of land records and the collection of land revenue. Originally starting out with 10 districts, Telangana now comprises 31 Districts, with two new districts having been formed in 2019.

The number of Districts are: 1.Adlibbed: 2.Bhadradi Kothagudam: 3.Hyderabad: 4.Jangaon: 5.Jayashankar Bhupalpally: 6.Jogulamba Gadwall: 7.Kamareddy: 8.Karimnagar: 9.Kumuram Bheem: 10.Mahabubabad: 11.Mahabub Nagar: 12.Macherial: 13.Medak: 14.Mulugu: 14.Nagarkurnool:15.Naryanpet:16.Nirmal:17.Nizamabad:18.Peddapalli:19.Rajanasircilla:20.Rangareddy:21.Sangareddy:22.Siddipet:23.Vikarabad:24.Wanaparthy:25.Warangal (Rural):26.Warangal (Urban):27.Yadri bhuvanagiri.

3.2. Agriculture-and-Co-Operation in Telangana:

Telangana state the Department of Agriculture has been started to provide latest agriculture technical knowledge to the farmers how use new methods to use advanced machines to adopt new technology to cultivate crops created mainly to provide Agricultural Extension Services to farmers and to transfer the latest technical knowledge to the farmers. The Department of Agriculture's goals are to estimate agriculture input requirements ahead of time, control production, and ensure timely delivery of seeds, fertilizers, pesticides, equipment, and credit to farmers. The Department of Agriculture also fulfils legislative obligations under numerous legislation and regulations to guarantee that farmers in Telangana have access to high-quality seeds, fertilizers, and pesticides.

3.3. Regional Rural Banks in Telangana

"For the incorporation, regulation and winding up of Regional Rural Banks with a view to developing the rural economy by providing, for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to the small and marginal farmers, agricultural laborers, artisans and small entrepreneurs, and for matters connected there with and incidental there to".

Regional Rural Banks (RRBs) in Telangana: - Following is list of Regional Rural Banks in Telangana:-

- 1, Andhra Pradesh Grameena Vikas Bank (APGVB)
- 2, Deccan Grameena Bank (DGB)
- 3, Telangana Gramin Bank

3.4. Agriculture problems in Telangana

Telangana state agriculture effected by several reasons low rain fall 60 % of agriculture depends on rain feed lack of irrigation facilities. Particularly in Telangana state changing weather conditions creating a situation of severe drought, mainly irrigation depend on ground water for irrigation , digging bore wells for water for irrigation purpose and failures of bore digging, farmers extreme indebtedness, failure of banks institutions to give fresh loans to farmers.

About 55% of the work force in Telangana is dependent on agriculture and agriculture contributes very low share in the Telangana State GDP only about 11%, compare to the industry and service sectors. Agriculture income is very low to the state.

Telangana state government thinking about increasing population developing of agriculture according to increasing population and their prospects, Telangana state government thinking food security and the income security to the farmers, Farmers income from agriculture is very low and increasing input costs, family increasing domestic expenses like education ,health marriages other ceremonies, Telangana state government therefore, developing agriculture without the farmers, well have a strong bearing on the prospects of a large population. The State government is thinking in terms of providing food security as well as income security to the farmers. Telangana state government task is to improve the income of the farmers.

3.5. Telangana state farmers are using excess of fertilisers, experts given caution on excess usage of fertilisers

Members of farmer's welfare organizations blamed it on fertilizer companies' aggressive campaign in rural areas.

Telangana farmers are using more fertilizers, Telangana agriculture scientists worrying about using of more urea and other chemical fertilizers which kills are stop damaging crops from pests and crop disease. More urea and other chemical fertilizers damaging the biological life of soil, and losses in crops yield.

The farmers in Telangana, on an average, were using 173 kg of fertilizer per acre. Over utilization of fertilizers is not new to Telangana, farmers indulged in indiscriminate use of urea during the current Vaanakalam (kharif) crop with the wrong perception that the first or second round of urea employed by them was washed away by the intermittent rain. Members of farmer's welfare organizations blamed it on fertilizer companies' aggressive campaign in rural areas promoting excess use of fertilizers and the state government's failure to check it.

3.6. Agriculture Credit from banks:

The state of Telangana was founded in July 2014 as a result of the state government's concerted efforts. The amount of loans available to farmers has increased. The state government's Annual Credit Plan allocates Rs. 68,596.71 crore in credit to the agriculture and related sectors. This is almost 46.91 percent of the whole plan, which is worth Rs. 1, 46,238.41 crore. This represents an increase of 18.14 percent over the previous year's target of Rs. 58,063 crore. Telangana's government is also taking initiatives to help farmers obtain agricultural credit through cooperative banks. The Telangana State Co-operative Bank (TSCA B) is an important institution for providing funds for farmers and craftsmen in rural Telangana. For the fiscal year 2018-19, the Telangana government disbursed Rs. 2,643.08 crore in agriculture crop loans through the Telangana State Cooperative Bank (TSCAB).

Telangana Short Term Agriculture Loans

All commercial banks and regional rural banks in Telangana offer a 1 lakh gold loan plan. For agriculture, cooperative urban banks and cooperative lending institutions are available to farmers.

3.7. Agriculture Credit in Telangana

The current fiscal's farm credit target has been set at Rs.13.5 crore. However, the government is offering a 2% interest subsidy to ensure that farmers can obtain a short-term agricultural loan of up to \$3 lakh at an effective rate of 7% per year.

Table No.3.1: Credit distribution year wise from 2011-2017-18

Year	Crop Loan Target	Crop Loan Achievement	Crop Loan %
2011-12	10233	11787	115.19%
2012-13	11624	14065	121.00%
2013-14	14440.05	14897.2	103.17%
2014-15	18717.95	17019.92	90.93%
2015-16	27800.14	20585.74	74.05%
2016-17	29101.36	23102.45	79.39%

Source: open data Telangana government

Agriculture credit distribution in Telangana by commercial banks Rs.72,119 crore during 2015-16 year.in Telangana targeted for agriculture and allied activities Rs.30,995 crore, compare to previous year's 42 % total credit plan which is increase in14 %. Credit occupies an important place in agriculture development.

Table No.3.2 Credit scenario for 2 Loan 017-18 crop loan distribution

Loan Type	Target	Achievement	Remarks
Vanakalam (Kharif) Crop Loans	23851.5	21733.15	For 26, 20,789 farmers as on 30-09-2017. (91.11%)
Yasangi (Rabi) Crop Loans	15901	3537	For 492666 farmer as on 25-12-2017 (22.24%)
Total Crop Loans	39752.5	25270.15	
Agri Term Loans	10714.89	1948.59	Up to 30-06-2017
Agri Term Loans for allied activities	3798	1170.56	Up to 30-06-2017
Total Agri Term Loans	14512.89	3119.15	Up to 30-06-2017

Source: open data Telangana government

3.8. Telangana Farmers in Distress over Agricultural Loan Renewal

Farmers, who availed agricultural loans, are facing a hard time renewing them as the state government has stopped providing Record of Rights (RoR) Pahani to agricultural lands after the launch of Dharani portal.

Several banks continue to ask for RoR Pahani for loan renewal. If the beneficiaries fail to renew their loans on or before the due date, they will be treated as loan defaulters. This, in turn, means they will have to forgo the benefits given by the Telangana state and central governments to the farmer.

Financial institutions sanction agricultural loan under a stipulated time frame, expecting the repayment of loan amount within a year. As per norms, agricultural loans must be renewed every year, if they aren't already paid for. The banks will charge late dues, and increase the rate of interest from 7 % to 14 %, if bank loans aren't renewed.

Moreover, the loan account will turn into NoN-Performing assets (NPA), and the beneficiary will become ineligible for loan waiver or subsidies there on. The state government stopped issuing RoR from September 8.though land registrations have resumed in the state, the government has not begun issuing RoR, pushing the farmers into distress.

Financial institutions (BANKS), meanwhile, argue that they need proof of agricultural land, which shows that're not sold or transferred to others. "Unless they provide a document showing the status of the land, we cannot renew the loan,"

AGM of state-level bankers committee said," we suggest renewing the loan with the help of other valid documents, like agriculture land passbooks. The concern is new, and it will be addressed soon."

3.9. As Banks Turn Back, Farmers Turn to Money Lenders in Telangana

Notwithstanding investment support extended by the government for agriculture in the State, the farmers have relied heavily on bank loans and private finance to fund their operations.

But, the banks were found wanting in extending loans which drove farmers to borrow from private lenders at interest rates ranging from Rs. 2 to Rs.5 per month for every Rs 100 borrowed. For a borrowing of Rs. 10,000 from private lenders, the interest works out to Rs 5,000 per month. On the other hand, the bank interest would not have been more than Rs 1,000 per month for the same scale of borrowing.

Table No.3.3: Banks falling short sanctioned loans

Year	Target	Sanctioned (Rs.in crore)
2014-15	18,717	17,019
2015-16	27,800	20,585
2016-17	29,800	26,282
2017-18	39,752	31,414
2018-19	42,494	33,751
2019-20	48,470	38000

Source: Telangana government open data

That the banks were lax in extending loans in Telangana was highlighted by none other than the Parliamentary Standing Committee on Agriculture. It said the banks fell short of the targeted loans by Rs 10,000 crore in the last few years.

The banks have always insisted that the farmers clear their outstanding before claiming fresh loans. But, the waiver of crop loans up to Rs 25,000 by government this year has stopped farmers from repaying to banks. They were in the hope that the government will fulfil its promise given at the time of election to farmers to waiving loans up to Rs 1 lakh agriculture loans and, hence, not inclined to borrow afresh. Where the farmers repaid part of their old loans with interest, the same were being renewed but fresh loans were not sanctioned till the entire amount was recovered.

That the banks were lax in extending loans in Telangana was highlighted by none other than the Parliamentary Standing Committee on Agriculture. It said the banks fell short of the targeted loans by Rs 10,000 crore in the last three years.

Low releases

In none of the six years since formation of Telangana State, the banks have achieved their target of loaning. The State-level bankers committee had set a target of loaning Rs30,649 crore for the current year (2020-21) which is supposed to go up to Rs 33,713 crore on Central government's instructions to hike the payout to farmers by 10 % in view of coronavirus. But, the actual release so far was only Rs 500 crors.

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Letters written

In these circumstances, the Telangana State Commission for Debt Relief to Small Farmers, Agricultural Laborers and Rural Artisans wrote to the Telangana State government that the farmers

were neither getting crop loans in time or for entire area of cultivation. Thus, they were forced to approach money lenders at an interest rate of 36 to 48 % per annum.

The Commission has also stating that nearly 40 % of farmers have not availed crop loans. The farming activity should be considered on par with micro, small and medium enterprises (MSMEs) and security free loans given up to at least Rs four lakh on long-term basis. This way, farmers can save up to Rs one lakh per year on interest portion of their private loans.

According to Commission Chairman the need for stepped up bank loans was all the more important this year because the government has decided to promote cotton cultivation which needs higher investment.

3.10. Here's Why Farmers Prefer Private Lenders to Banks

The most frequent reason for this being there are 'too many formalities'

Although the incidence of borrowing in each household is high in Telangana, there are many who choose not to procure one despite needing a loan. The most frequent reason for this being there are “too many formalities,”

“National Bank for Agricultural and Rural Development” (NABARD) conducted the ‘All India Rural Financial Inclusion Survey, 2016-2017’ found that at least 38 per cent of the households cited that complexity and myriad formalities related to procuring a loan discouraged the loan seekers.

However, at least 39 per cent of those surveyed, said that they did not opt for a loan despite needing one because they had ‘no collateral security’, the safeguards in the absence of which banks are not allowed to give out loans.

The other major reason that people cited for not procuring loans or not wanting to, are simply because they ‘did not know where to apply’. “About 30% reflect lack of knowledge about the place where they can apply can to get loans,”

The factor of 'lack of knowledge' is seen in another finding that only 11.3 per cent people were assessed as having good financial literacy. Further, while 33 per cent had educational qualification between class vi-x, 31 per cent were illiterate.

Another reason for not procuring a loan, in erstwhile (united) Andhra Pradesh for instance, there are reports claiming that middlemen and money lenders were charging as high as 225 per cent interest, per annum.

The last two reasons cited by at least 26 % of the total respondents of the survey was that their occupation was not stable enough to generate consistent inflows or they were already repaying an old loan for more than three years procuring it.

3.11. A New Worrisome Report Released by the Government-Owned NABARD Claims That 79 Per Cent of Telangana Farmers Are Struggling to Repay Their Loans on Time.

Every successive government has implemented scheme after scheme "to save" the debt-ridden farmer, yet none of them seem to have made any impact. A new worrisome report released by the government-owned NABARD claims that 79 per cent of Telangana farmers are struggling to repay their loans on time, Telangana state conducted a survey on based on 958 households, spread across 48 villages in six districts. September 2018 No wonder then that the state ranks high on farmers suicides.

The debt per household in Telangana ranges between Rs 80,000-Rs1, 20,000, with an average outstanding debt of Rs 91,407. While debt by itself is a problem of economic insecurity for these farmers, the source of debt will decide the intensity. For instance, debts pending with private lenders and loan sharks carry far more threats compared to ones taken from banks or micro-finance institutions.

In Telangana, according to the survey, farmers taken 40 % non-institutional agriculture loans that is, loan sharks and private lenders, or at times from friends and family. Also, the loans are not incurred on farm input like manure or fertilizers but mostly on personal needs like health expenses and domestic needs.

Experts say the trend indicates that income generated from agriculture is insufficient for their needs to fulfill those are dependent on agriculture activities. While the governments have doled out various schemes, waived off loans several times, the inability to ensure value for the yield has stunted the economic growth of farmers. The growth in their income was drastically disproportionate to inflation.

3.12. The Crop Loan Waiver Scheme:

Features of Telangana Crop Loan Waiver Scheme:

Crop loan waiver Scheme will be given to the farmers who have taken loans from the banks up to Rs. one Lakh Crop loan waiver will be given in five phases. In the first phase, Government will waive off Rs. 25000/- of crop loan. This scheme is applicable for all those crops that sanctioned the loan amount after 1st April 2014 and outstanding till 11 December 2018. In Telangana state, Disbursement of the crop loan waiver is done by all commercial banks, cooperative credit institutions, including cooperative urban banks and regional rural banks. Telangana State Government Has Sanctioned Rs, 1,198 crore for this scheme for the year 2020-21 budget. This scheme is beneficial for 5.83 lakh farmers of the state

Table No.3.4 Credit loan waiving data 2014-2018

District Name	No. of farmers benefitted
Adilabad	315026
Karimnagar	373267
Khammam	358040
Mahaboobnagar	598990
Medak	396191
Nalgonda	496629
Nizamabad	379520
Ranga Reddy	208425
Warangal	403856
TOTAL	3529944

Source: Telangana government open data

Benefits of the Crop Loan Waiver Scheme:

The Telangana State Government will Crop Loan Waiver of up to Rs. 25000/- crop loan in the first phase. Applicants will get the amount by cheque

Eligibility Conditions

Applicant must be a permanent resident of Telangana state. Applicant's crop loan was must sanctioned or renewed after 1st April 2014. Loan repayment was outstanding till 11th December 2018

3.13. Telangana Rythu Bandhu:

The main objective of the Rythu Bandhu scheme was to provide tips for the poor farmers of the Telangana state. The conditions of the farmers are not up to date in your country so, the Chief Minister of Telangana has come up with the Rythu Bandhu scheme which will provide a financial incentive to all of the farmers of the Telangana state. Through the development of this scheme, the farmers will be able to gain much incentive to carry on their day-to-day life. Also, many other things such as insecticides and pesticides will be provided to the farmers to take care of their crops.

“We have found that farmers spend about Rs 4,000 per acre in buying fertilizer, seeds and pesticides each season — kharif and rabi. With free power for agriculture provided by the Telangana government, only labour and machinery costs will now be left for farmers to bear,”

The Rythu Bandhu scheme: the Rythu bandhu scheme is first ever financially support scheme to the small and marginal farmers in the Telangana state.

With less than a month left for the commencement of the crop season, these farmers will get the initial support to take up their agriculture operations without any hassles.

According to official figures, the State has 40.92 lakh marginal farmers with land owning of less than 2.5 acres while the small farmers with holdings between 2.5 acres and 5 acres constitute another 11.02 lakh out of the total 57.4 lakh beneficiaries for whom the scheme is being launched.

Farmers in Nalgonda district with 29.63 lakh marginal and 92,407 small farmers will receive the maximum benefits under the scheme while Medchal-Malkajgiri district with 27,024 marginal and

3,756 small farmers is at the bottom. The number of farmers in Mahbubnagar (2.29 lakh), Khammam (2.05 lakh), Ranga Reddy (2.03 lakh), Sangareddy (2.26 lakh) and Siddipet (2.01 lakh) too account for a significant chunk of marginal farmers. There are around 4.44 lakh farmers with more than five acres with Nalgonda having a maximum of 39,909. Another 94,551 farmers have holdings in excess of 10 acres. About 6,488 farmers have lands in excess of 25 acres with Sangareddy accounting for the highest number of 644 closely followed by Ranga Reddy (637), according to the statistics. Given the huge number of marginal and small farmers among the beneficiaries, the government has taken adequate precautions to ensure that no inconvenience is caused to farmers in terms of cash withdrawals.

According to senior officials there was absolutely no pressure on the government as sufficient reserves had already been positioned for the successful implementation of the scheme. Adequate cash reserves are made available in all the branches of eight designated banks which have been chosen for distribution of cheques. “The Reserve Bank of India has confirmed that cash had been dispatched to chests in all the designated branches,”

3.14. TENANTS FARMERS:

“The scheme's purpose is to provide input support and make landowners active farmers. That is why we are providing monetary benefits, the targets are partial and the numbers of tenant farmers are much higher. A land owner already receives rent from the tenant farmer. If the crop is lost, then the latter bears that too. This is nothing but extra income to the land-owning farmers,”

The Rythu Bandhu scheme was one of the best agricultural schemes introduced by any government; the benefits to tenant farmers can be avoided through identification of tenant farmers. The Government Issue identity cards or loan eligibility cards (LECs) issued for tenant farmers to get the agriculture credits from banks. “Though they (LECs) were issued to only 50,000 tenant farmers in 2015, many of them were able to avail crop loans from the banks, the tenant farmers can be identified by the government with the help of gramasabhas and keep track of the data using latest technology.

“The scheme's purpose is to provide input support and make land owners active farmers. That is why we are providing monetary benefits,” The scheme is slated to kick off in May 2017.

3.15. The Telangana state income support schemes to small and medium farmer's benefit:

"Some farmers have not received their money because of documentation issues or because they have not claimed their cheque. These kinds of cash support schemes provide some relief to farmers from having to run to money lenders. Telangana gives a substantial amount, while the PM-Kisan gives almost nothing. The problem with Telangana is that those with more land get more. Therefore, it has not given importance to equity issues. In Telangana is that about 40% of the money is going to people who are not agriculturists."

3.16. Experts have frequently pointed out that loan waiver is not a solution to India's farm distress.

States like Telangana and Odisha have seemingly flipped the script and moved away from the very notion of a farm loan waiver. In April 2018, Telangana announced the Rythu Bandhu scheme— an investment support programme providing financial assistance of Rs 4,000 per acre per season to all farmers who own land. This scheme is in line with what many farm experts have advocated – an income/investment support system for farmers instead of big-ticket farm loan waivers. Here's how it works – Farmers with small plots of land (less than five acres) usually lack cash at the start of the farming season.

The long sanctioning process of cash loans in state banks (where the farmers usually already have other loans) forces the farmers borrow credits from non-institutions at rate of interest very high. In turn, to pay back the loan as soon as possible, farmers tend to focus entirely on quick cash crops like sugarcane. But now, thanks to the 'Bandhu' scheme, farmers don't feel compelled to borrow from private money lenders, can choose the crop they want to grow instead of solely those with high returns like sugarcane and it also offers relief to the banking system.

And this was not a flash-in-the-pan idea. Prior to introducing the 'Bandhu', the State undertook an extensive exercise of fixing the system of land records across "10,500 revenue villages" without any roadblocks. This now allows the state to disburse funds to land-owning farmers who need them efficiently. Thus far, around 5 million farmers in Telangana have benefitted from the scheme.

How the farmer wants to use that money is entirely upon him/her. Also, with the Aadhaar system mainly in place, the government can do a much better job of protecting farmers from falling into

the debt trap, notably when prices crash. “Ten lakh landless households will be supported with a unit cost of Rs 12,500 to take up activities like goat rearing units, mini layer units, duckery units, fishery kits for fishermen and women, mushroom cultivation and bee-keeping,”.

3.17. Rythu Bima:

Rythu Bima scheme is in implementation from 14th August 2018 for a period of one year. An amount of Rs.681.45crore is released to LIC towards premium for 30 lakh farmers. As per the MoU, the LIC is settling the claims submitted on behalf of nominees and depositing Rs.5.00 lakhs insured amount into the nominees account by RTGS within 10 days. So far, an amount of Rs.762.30 lakh has been disbursed to 15,246 farmers. The scheme has been extended to 2019-20 with a higher premium.

Rythu Bima: Launched on August 14, 2018, about 31.25 lakh farmers were enrolled under the Rythu Bima scheme in 2018-19 against a premium amount of Rs 710.58 crore paid by the state government. In 2019-20, around 30.81 lakh farmers were enrolled under the scheme at an expenditure of Rs 1,065.35.

3.18 Sangareddy District:

About District Profile:

The Sangareddy District is located in Telangana, India's northernmost state.

According to the Government of Telangana's G.O.M.S 239; DT: 11-10-2016, Sangareddy District was split from Medak District. Medak district is divided into three districts. They are

1. Sangareddy district
2. Medak district
3. Siddipet district

Geography: The district covers a total size of 4,464.87 square kilometers (1,723.90 sq mi).

Demographics: The district has a population of 15, 27,628 people, according to the 2011 Indian Census.

Administrative divisions: The district would be divided into 26 mandals by three revenue divisions: Narayankhed, Sangareddy, and Zaheerabad.

Civic administration: Sangareddy Municipality, a first-class municipality with 31 election wards, was established in 1954. The local body's jurisdiction extends across a 13.69-kilometer region (5.29 sq mi).

3.19 Agriculture

About Department:

The Agriculture Department has taken on the challenge of achieving a higher rate of growth in agriculture by implementing several development schemes as well as the propagation of relevant technologies to increase production through effective extension services while implementing various schemes such as soil health management under the National Mission on Sustainable Agriculture -NMSA, Integrated Farming Systems under the RAD, and Comprehensive Water Management Activities including Water Mapping under the RAD.4.19. Zahirabad Mandal consisting of big and small 23 villages is their one of the village is Ranjole village:

3.20 Ranjole Village Profile

Block / Tehsil → Zahirabad

District → Sangareddy

State → Telangana

About Ranjole village: According to Census 2011 information the location code or village code of Ranjole village is 573364. Ranjole village is located in Zahirabad Tehsil of Medak district in Telangana, India. It is situated 5km away from sub-district headquarter Zaheerabad and 50km away from district headquarter Sangareddy. As per 2009 stats, Ranjole village is also a gram panchayat.

The total geographical area of the village is 1549 hectares. Ranjole has a total population of 6,578 peoples. There are about 1,350 houses in Ranjole village. Zahirabad is the nearest town to Ranjole which is approximately 8km away.

About Ranjole village: Nearby villages include Allipur (2 KM), Huggelli (2 KM), Krishnapur (4 KM), Algole (4 KM), and Machnoor (5 KM). Jharasangam Mandal to the north, Kohir Mandal to the south, Nyalkal Mandal to the north, and Munpalle Mandal to the east surround Ranjole. Nearby cities include Zahirabad, Bidar, Sadasivpet, and Vicarabad.

Ranjole 2011 Census Details

Ranjole Local Language is Telugu. Ranjole Village Total population is 6578 and number of houses are 1350. Female Population is 49.8%. Village literacy rate is 57.4% and the Female Literacy rate is 25.7%.

Overview of Ranjole: Ranjole is a big village in Zaheerabad Mandal having more than 250 years of history and having different types of cultures and religions. We can see that the most of the people migrates from another villages to here. Most of the people depends on agriculture and we see different crops in this village.

CHAPTER IV: ANALYSING DATA INTERPRETATION

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4.1 Findings from Field Survey

The Ranjole village is located in Zahirabad Mandal, 6578 people are living in this village, 3302 are male and 3276 are females as per 2011 census. Ranjole population 2020/2021 is between 6381 and 8025. Literate people are 3777 out of 2088 are male and 1689 are female. People belong to Schedule Cast are 1276 of which males are 647 and females are 629. People belonging to Schedule Tribe are 67 of which male are 30 and female are 37. People living in Ranjole depend on multiple skills, total workers are 2619 out of which men are 1740 and women are 879. 325 cultivators having own agriculture land. 841 people work in agricultural land as a labour in Ranjole, men are 511 and 330 women. The population density in this area is 1/sq. km.

LAND:

The total area of Ranjole is 1549 hectares (15.49 sq. km). Area under Agriculture is 1226 hectares. The non-agricultural area in the locality is 98 hectares. The area used for trees and other miscellaneous plants is 14 hectares. The un-irrigated land is 1132 hectares. Telangana state Farmers are moving to ginger cultivation in Sangareddy and Zaheerabad area by converting mango orchards. There is a decline in mango productivity year on year as farmers are not interested due to the income being less.

Ranjole farmer's literacy: most of the farmers are illiterate, and some farmers studied up to V to VI-grade.

Ranjole major occupation: Agriculture farmers cultivating 22 different types of crops cultivating some crops are inter cultivating, and some crops are crop rotation cultivation crops.

1, Ginger 2, Manga 3, Tomato 4, Bhendi (bhenda kaya) 5, coriander (kotti meera) 6, Teak (bund) 7, Turmeric 8, Banana 9, Colocasia (Chama gadda) 10, green chilli (pacchi mirchi) 11, Guava 12, Dragon fruit 13, Papaya 14, Malabar veppa 15, Sweet orange 16, Onion 17, Brinjal 18, Subabu 19, spinach 20, Sapota 21, Acid lima 22, Awan (vama)

Crops Type:

1. **Spices:** ginger, turmeric, ajwain (vama)
2. **Vegetables:** tomato, bhendi, coriander, colocasia green chilli, onion, brinjal and spinach.
3. **Orchard fruits:** mango, papaya, banana, guava, dragon fruit, sweet orange, sapota, acid lime.
4. **Agro forestry plantation crops:** (Malabar Vespa and subabul)
5. **Border plantation crops:** (teak bund)

Some crops varieties are planned in years

1. Orchard fruits (mango) in 1980, 2002, 2005: Bane Shan (Bangenaplli), Chereku Rasum, Dasehart, Dashehari, Himayath, Malika, China Rasum, Amani.
2. Orchard fruits (sweet orange) in 2005: Mosambi with Jamberi rootstock
3. Orchard fruits (guava) in 2002: Kohir Red

*Farmers cultivate two major crops: 1, Ginger and 2, Mango.

Ranjole village two major crops are cultivating 1, Ginger 161 farmers cultivating nearly 50% and 2, Mangos cultivation 74 farmers nearly 23%.

***Classification of land: Dry Land (Agricultural land)**

Sources of Irrigation: 1. Borewell, 2. Open well, 3. Rainfed, 4. Selected

Agricultural wage in season

Agriculture labour wages per day: 1. Male Rs.800, 2. Female Rs.400

***Un-season work: upadhi hami pathakam**

Agriculture labour wages:

1. Agriculture land sowing wage: female Rs.300-350.
2. Agriculture land kalupu wage: female Rs. 300.

3, agriculture land Harvesting: Male Rs. 600, Female Rs.400.

Other Work Wage: Rs. 500 to male and 400 to female.

Farmers Problems:

Irrigation: Lack of water, water not available.

Banks loans: No brokers direct loan available less amount section not sufficient for cultivation. Yearly once giving loans.

Institutions Banks:

1. State bank of India (S.B.I).

2. Corporation Bank

Loan amount Rs 70,000 per acre, Banks may not insist on repayment in case of crop failure or natural calamities: in sometimes government helps. Banks accept even gold as collateral for sanction loan and it is always safe to keep (no). Commercial banks loan amount Rs 1, 0000. Private loans amount Rs 20,000. To 50,000 S.B.I. Rate of interest 7.25%

Banks agriculture loans:

1. Less than 40 guntals land banks not giving loan, 1 acre are more than 1 acre banks giving loan.

40 guntals = 1 acre. *1 Gunta=120.999 square yards (gunta is a local language Telugu).

*Gunta1/40 acres (one gunta is equal to 1/40acres) or 40 guntals equal to 1 acre.

2. Crop insurance (yes)

3. Not availed

4. Whether the loan amount is rescheduled (yes) whether the loan amount was sufficient (no)

5. For 1 acre loan amount is sufficient (not sufficient). More than 2 acres loan amountis (not sufficient)

6. Others, some relatives, others (traders) Member of (SHG) self-help group (yes)

Non- Institutions:

Due to loan amount not sufficient mostly farmers go for landing to money leaders , relatives, friends, house relations for loans, hand loans 3%, 5%,10%. Interest.

Private Loans:

1. Timely available
2. No security needed
3. May be there is a deceive by money lenders due to illiteracy
4. Less than 40 guntals land banks not giving loan. 1 acre are more than 1 acre banks giving loan. Less than 1 acre farmers are barrowing from Non-institutions.

Horticultural Loan: Horticultural loan is an agriculture farm loan offered for land development projects related to orchids or vegetable farms. The loan can be used to cover expenses such as fencing, setting up boundaries, and clearing wild plants and tress amongst others.

Suggestions by Farmers:

1. Reduction or reduce interest rate
 2. No more branches available (increase no of bank branches)
 3. Want more subsidies on crop loans
 4. No paper work, no land no loan (tenant farmer) need of pass book.
1. Main illiteracy 2.no banks at village level 3.more no of times visits 4.Inadequate funds.
- * Government should finances the framers through financial institutions. Increase number of financial institutions.
- *Government should establish a spices board and the national horticulture to the farmers at the time of cultivation

Rythu Bandhu Scheme: 1 acre Rs.5, 000 thousand yearly twice by Telangana state government.

PM Kisan Samman Nidhi (PM Kisan scheme): 5 acre Rs.6, 000 thousand in three instalments. Rs.2, 000 each instalment by central government directly deposited in farmers account

Rythu Bima: LIC claims that 5 lakh insurance facility for farmer introduced by Telangana state government is the new record in the history of the country. The insurance scheme, which is being given to the farmers age between 18-59 years,

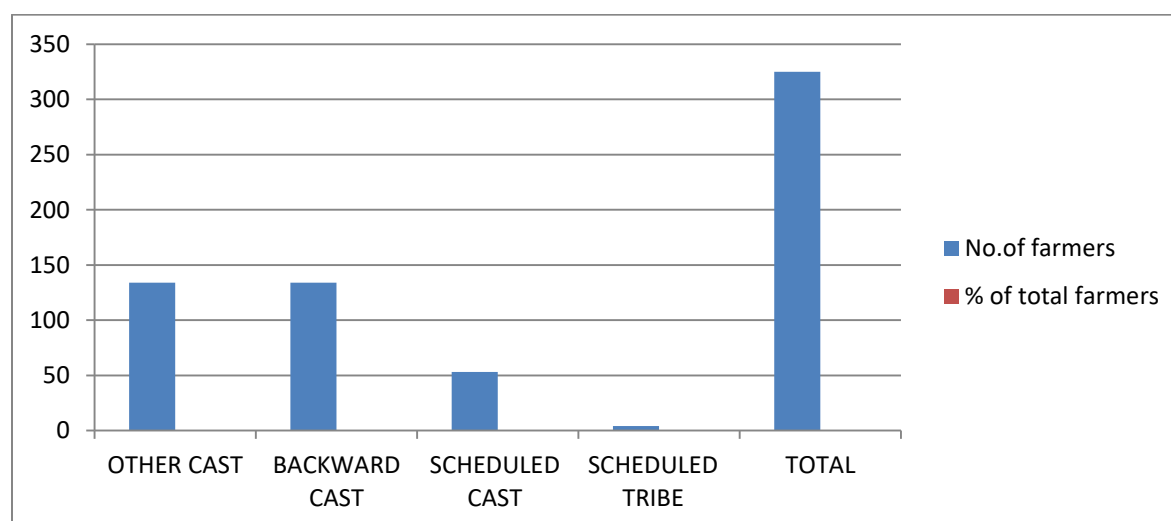
Social status: social status of farmers in Ranjole village total number of farmers 325.out of 325 other caste farmers 134, back ward caste farmers 134, scheduled caste farmers 53 and scheduled tribe farmers 04.

Table No.4.1: Social Status

Caste Category	No. of farmers	% of total farmers
OTHER CAST	134	41.23%
BACKWARD CAST	134	41.23%
SCHEDULED CAST	53	16.30%
SCHEDULED TRIBE	4	1.23%
TOTAL	325	

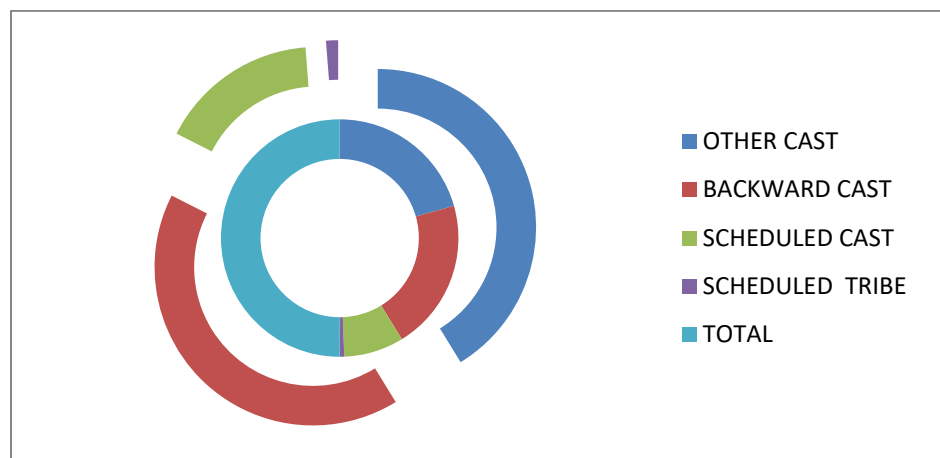
Source: primary data Ranjole village data

Figure No 4.1: Social status



Source: primary data Ranjole village data

Figure No 4.2 Social Status



Source: primary data Ranjole village data

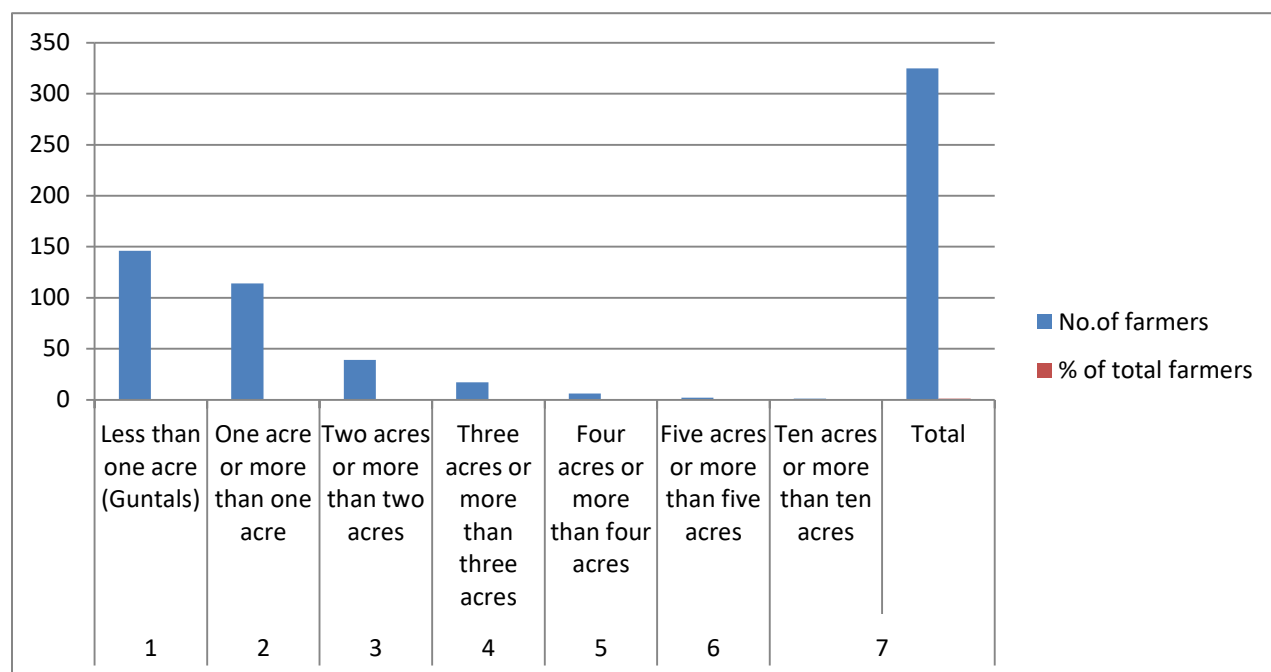
Cast category total no of other cast farmers 134(41.23%), total no. of backward class farmers 134(41.23%), total no of scheduled cast farmers 53(16.3%), and total no of scheduled tribe farmers 04(1.23%), total no of farmers 325.

Table No.4.2: Category which the farmer belongs in acres

Sl.no	Land ownership cultivating crops land size	No.of farmers	% of total farmers
1	Less than one acre (Guntals)	145	44.61%
2	One acre or more than one acre	115	35.07%
3	Two acres or more than two acres	39	12%
4	Three acres or more than three acres	17	5.23%
5	Four acres or more than four acres	06	1.84 %
6	Five acres or more than five acres	02	0.61%
7	Ten acres or more than ten acres	01	0.30%
	Total	325	100%

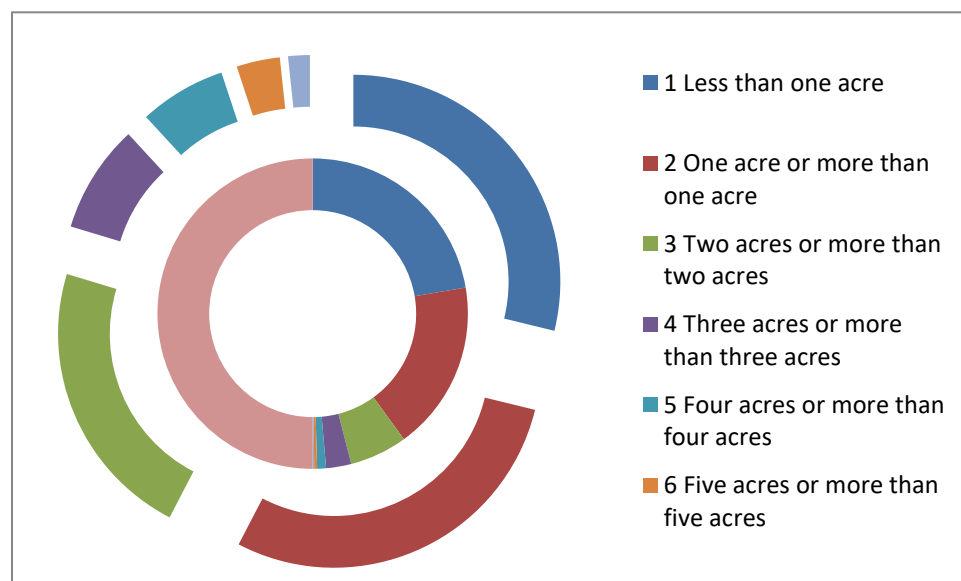
Source: primary data Ranjole village data

Figure No. 4.2.1: Category which the farmer belongs in acres



Source: primary data Ranjole Data

Figure No.4.2.2 Category which the farmer belongs in acres



Source: primary data Ranjole village data

The category which the farmer belongs in acres:

***1 Gunta=120.999 square yards**

***Gunta1/40 acres (one gunta is equal to 1/40acres)**

Gunta is a local language measuring in square yards that which farmers is cultivating crops in agriculture land due to water problem of irrigation water

Sources of irrigation farmers cultivating crops with 1, bore wells², open wells³, rain fed and selected.

Total number of farmers the category which the farmers belongs. Total number of farmers less than one acre of land (**Guntals**) 145 (44.61%), Total number of One acre or more than one acre of land 114 (35.38%), Total number of Two acres or more than two acres of land 39 (12%), Total number of Three acres or more than three acres of land 17 (5.23%), Total number of four acres or more than four acres of land 06(1.84%).Total number of five acres or more than five acres of land 02 (0.61%).Total number of ten acres or more than ten acres of land 01 (0.30%).Total number of farmers 325.

Total no of farmers 146 cultivating less than 1 acre 1,ginger 77.2,turmeric 3.3,ajwain 4.4,coriander 1.5,spinach 1.6,colocasia 5.bhendi 1.6,tomato 4.7,green chilli 2.8,brinjal 1.9, mango 36.10,papaya 3. 11, banana 3. 12, acid lime 1.13, subabul 1. And 14, teak 2 marginal farmers

Total no of farmers 114 cultivating 1 acre 1,ginger 53.2,turmeric 6.3,ajwain 2.4,colosia 2.5,onion 1.6,bhendi 10.7,tomato 5.8,green chilli 2.9,brinjal 1. 10, mango 20.11, Papaya 4.12, banana 2.13, sweet orange 2.14, guava 1. 15, sapota 1.16, dragon fruit 1.17, acid lime 1 and 18, Malabar 1 marginal farmers

Total no of farmers 39 cultivating in 2 acres 1,ginger 23.2,turmeric 1.3,bhendi1.4,tomato 2.5,mango 9.6, banana 2 and.7,guava 1 marginal farmers

Total no of farmers 17 cultivating in 3 acres 1,ginger 6.2,turmeric 2.3,mango 5.banana 6 and sweet orange 2 small farmers

Total no of farmers 6 cultivating in four acres 1, ginger.2, turmeric 2.3, mango 2 and 4, banana 1 farmers

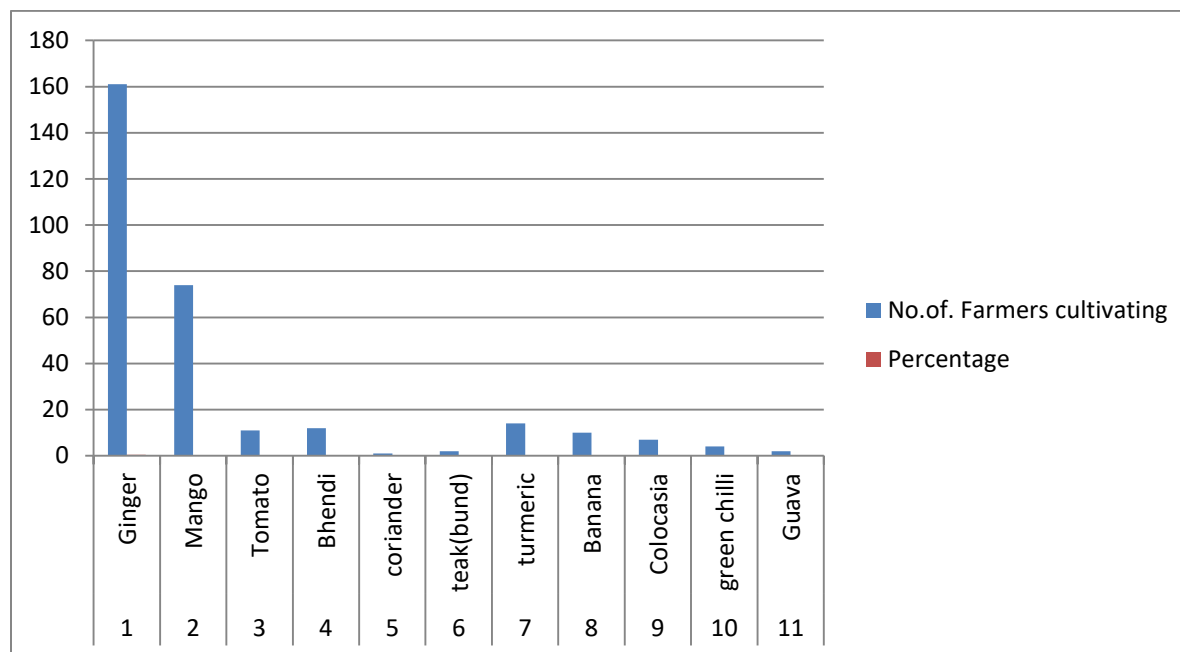
Total no of farmers 2 cultivating in 5 acres ginger and mango medium farmers. Total no of farmers 1 cultivating mango in 19.1 acres large farmer

Table No. 4.3: All crops cultivated farmers and percentage

Sl.no	Crops	No. of farmers cultivating	percentage
1	Ginger	161	49.54%
2	Mango	74	22.76%
3	Tomato	11	3.38%
4	Bhendi	12	3.69%
5	Coriander	1	0.30%
6	Teak(Bund)	2	0.61%
7	Turmeric	14	4.30%
8	Banana	10	3.07%
9	Colocasia	7	2.15%
10	Green Chilli	4	1.23%
11	Guava	2	0.61%
12	Dragon Fruit	1	0.30%
13	Papaya	7	2.15%
14	Malbarveppa	1	0.30%
15	Sweet Orange	4	1.23%
16	Onion	1	0.30%
17	Brinjal	2	0.61%
18	Subabul	1	0.30%
19	Spinach	1	0.30%
20	Sapota	1	0.30%
21	Acid Lima	2	0.61%
22	Ajwain (Vama)	6	1.84%

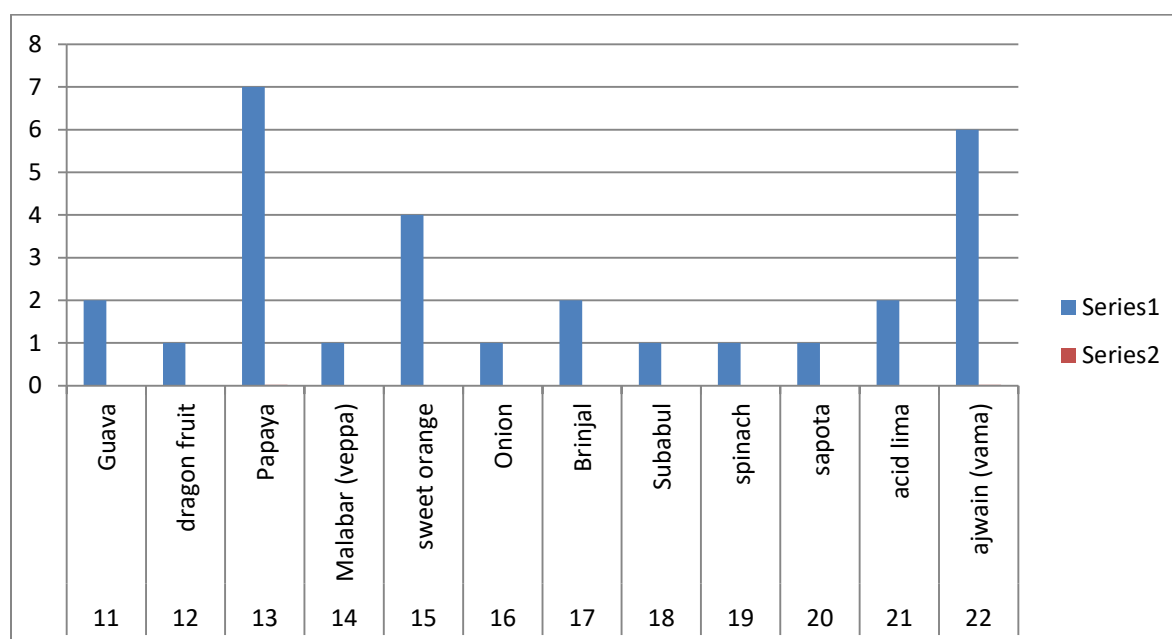
Source: primary data Ranjole village data

Graph No.4.3.1.a: All crops cultivated farmers and percentage.



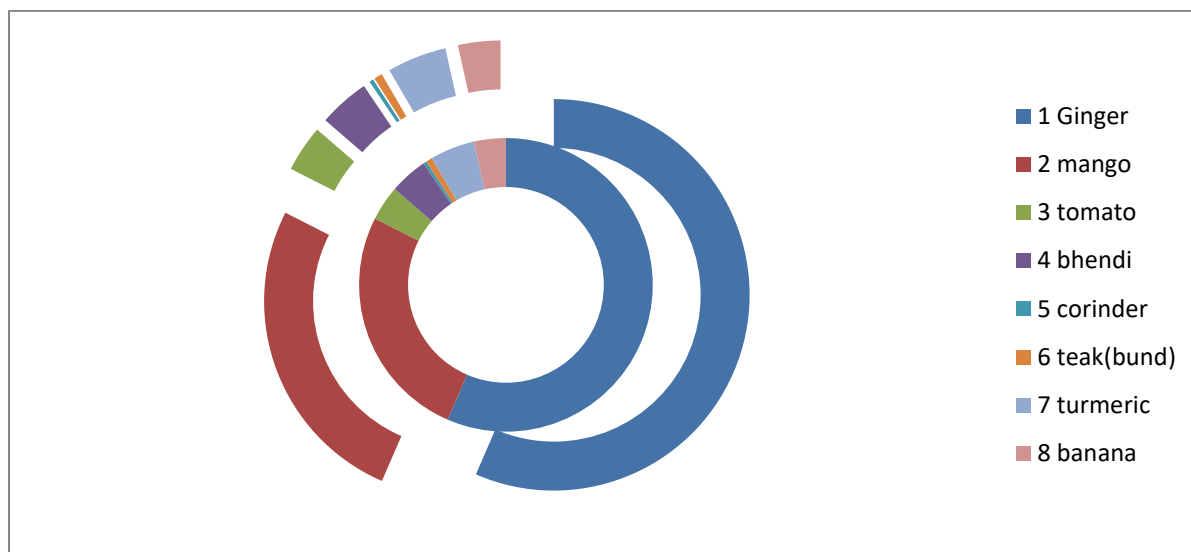
Source: primary data Ranjole village data

Graph no.4.3 .2.b All crops cultivated farmers and percentage



Source: primary data Ranjole village data

Graph No.4.3.2a All crops cultivated farmers and percentage



Source: primary data Ranjole village data

Graph No.4.3.2b All crops cultivated farmers and percentage:



Source: primary data Ranjole village data

Graph no.4.3.2c: All crops cultivated farmers and percentage:



Source: Primary data Ranjole village data

Crops Cultivating Farmers and Percentage:

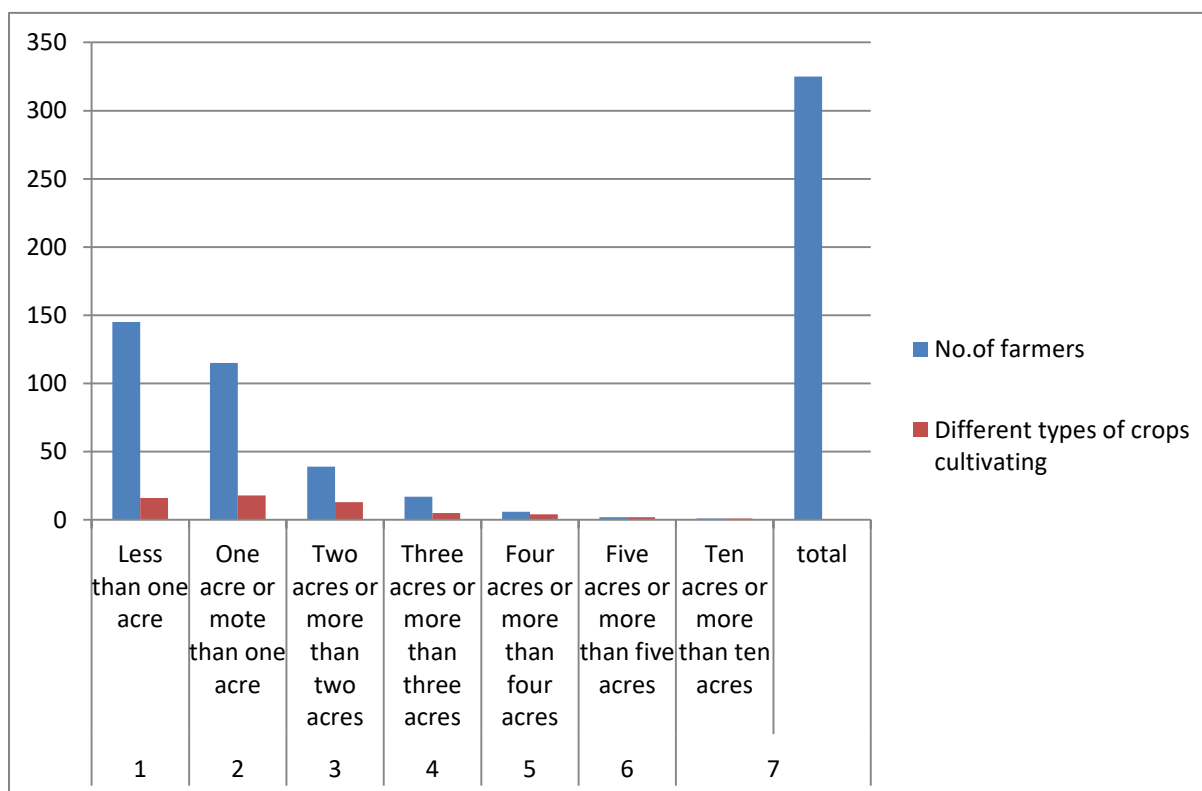
1,Total no of farmers Ginger 161(49.53%), 2,Total no of farmers Mango74 (22.76%),3,Total no of farmers Tomato 11 (3.38%)4,Total no of farmers Bhendi (bheda kaya)12 (3.69%), 5,Total no of farmers coriander (kotti meera) 01(0.30%),6,Total no of farmers Teak (bund) 02 (0.61%),7,Total no of farmers Turmeric14 (4.30%), 8,Total no of farmers Banana 10(3.0 7%), 9,Total no of farmers Colocasia (Chama gadda) 7 (2.15%), 10,Total no of farmers green chilli(pacchi mirchi) 2 (1.23%),11,Total no of farmers Guava 2 (0.61%),12,Total no of farmers Dragon fruit 1 (0.30),13, Total no of farmers Papaya 7 (2.15%),14,Total no of farmers Malabar veppa 1(0.30%),15,Total no of farmers Sweet orange 4 (1.23%), 16,Total no of farmers Onion 1 (0.30%),17,Total no of farmers Brinjal 2 (0.361%), 18,Total no of farmers Subabu 1 (0.30%),19,Total no of farmers spinach 1 (0.30%),20,Total no of farmers Sapota 1 (0.30%),21,Total no of farmers Acid lima 2 (0.61),(22,Total no of farmers Ajwan (vama) 6 (1.84%).

Table.No.4.4: Land Size the No. Of Farmers Cultivating the No. Of Crops Cultivating

Sl.no	Land size No. of acres cultivating	No. of farmers	Different types of crops cultivating
1	Less than one acre	145	16
2	One acre or more than one acre	115	18
3	Two acres or more than two acres	39	13
4	Three acres or more than three acres	17	05
5	Four acres or more than four acres	06	04
6	Five acres or more than five acres	02	02
7	Ten acres or more than ten acres	01	01
	Total	325	

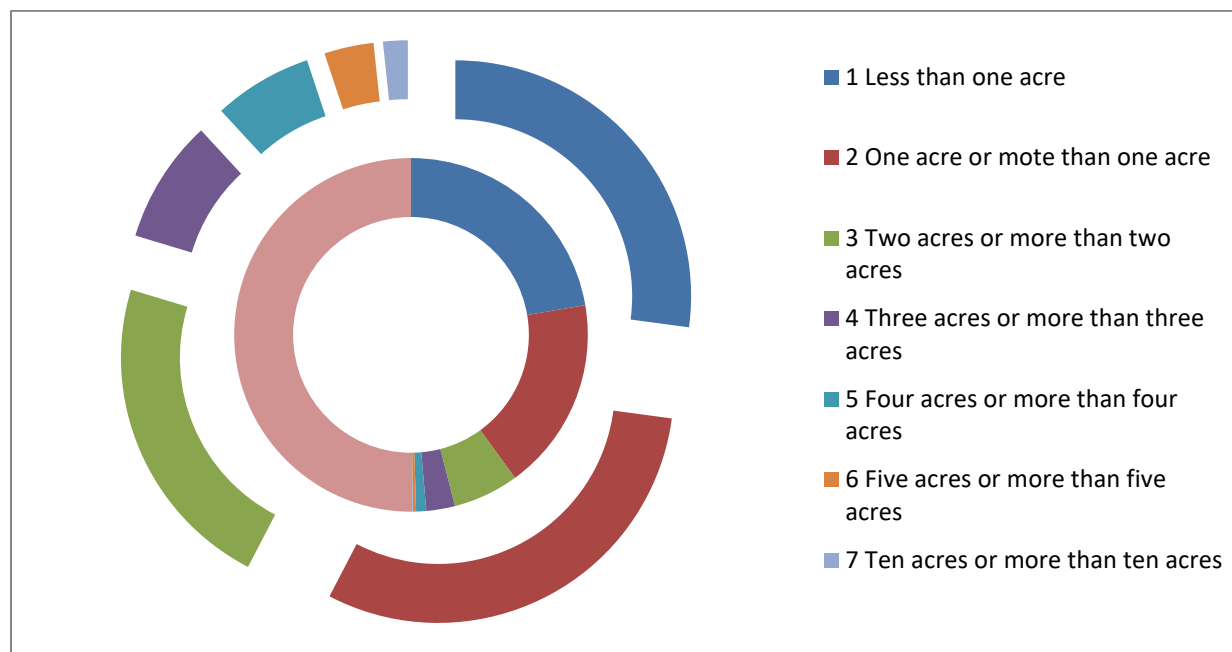
Source: primary data Ranjole village data

Graph.No.4.4.1: Land size the number of farmers cultivating the No. of crops Cultivated.



Source: primary data Ranjole village data

Graph.no.4.4.2:Land size the no.of.farmers cultivating the No.of crops cultivated.



Source: primary data Ranjole village data

Total numbers of cultivators are 325. Out of 325 cultivators 145 cultivating less than one acre 16 different types of crops 1, ginger (77).2, mango (36).3, turmeric(3), 4,ajwain (4).5, colocosia (5).6,Tomato (4).7,green chilli (2).8,brinjal (1).9,bhendi (1).10,spinach (1).11,coriander (1).12, papaya (3).13,banana (3).14,acid lime (1).15,subabul (1).16,Teak (2).

Total numbers of cultivators are 325. Out of 325 cultivators 115 cultivating 1 acre are more than one acre 18 different types of crops 1, ginger (53).2, mango (20).3, turmeric(6), 4,ajwain (2).5, colocosia (2).6,Tomato (5).7,green chilli (2).8,brinjal (1).9,bhendi (10).10,onion (1).11,guava (1).12, papaya (4).13,banana (2).14,acid lime (1).15,dragon fruit (1).16, sapota(1).17,sweet orange (2).18,malalar (1).

Total numbers of cultivators are 325. Out of 325 cultivators 39 cultivating 2 acre are more than 2 acre 13 different types of crops 1, ginger (23).2, mango (9).3, turmeric(1), 4,Tomato (2).5,bhendi (1).10,guava (1).12,papaya(2).13,banana (2).

Total numbers of cultivators are 325. Out of 325 cultivators 17 cultivating 3 acres are more than 3 acres 5 different types of crops 1, ginger (6).2, mango (5).3, turmeric(2), 4,papaya(2).5,banana (2).

Total numbers of cultivators are 325. Out of 325 cultivators 6 cultivating 4 acre are more than 4 acres 4 different types of crops 1, ginger (1).2, mango (2).3, turmeric(2), 4,banana (1).

Total numbers of cultivators are 325. Out of 325 cultivators 2 cultivating 5 acres are 2 different types of crops 1, ginger (1).2, mango (1).

Total numbers of cultivators are 325. Out of 325 cultivators 1 cultivating 19.1 acres are mango (1).

Total number of cultivators 325.out of 325 cultivators 299 marginal farmers, 23 small farmers, 2medium farmers and 1 large farmer.

Total 145 farmers cultivating from 0.01square yards upto 0.38 square yards.40 square yards equal to 1 acre.

1: To find out the Reason why the farmers are shifting from Mango to Ginger cultivation.

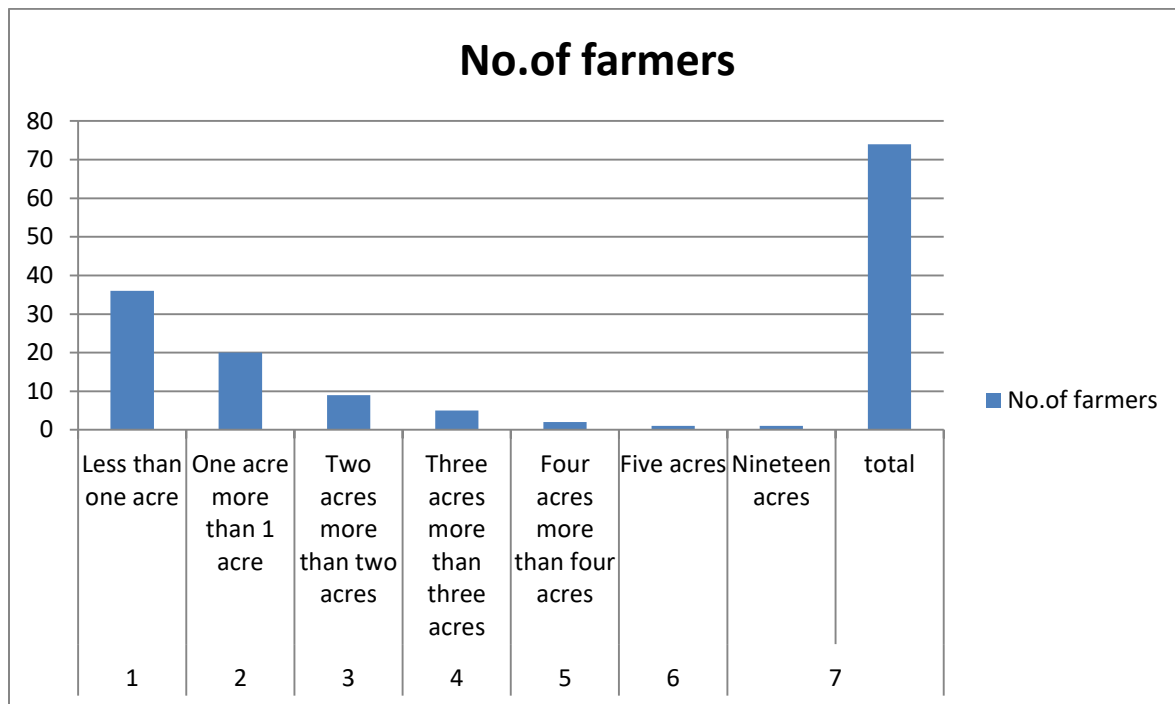
Farmers are moving to ginger in Sangareddy and Zaheerabad areas by converting mango orchids there is a decline in growth of mango productivity year on year as farmers are not interested due to the income being less.

Table No.4.5: Farmers cultivating mango land size

Sl.no	Size of the land crop cultivating	No. of farmers
1	Less then one acre	36
2	One acre more then 1 acre	20
3	Two acres more then two acres	9
4	Three acres more then three acres	5
5	Four acres more then four acres	2
6	Five acres	1
7	Nineteen acres	1
	Total	74

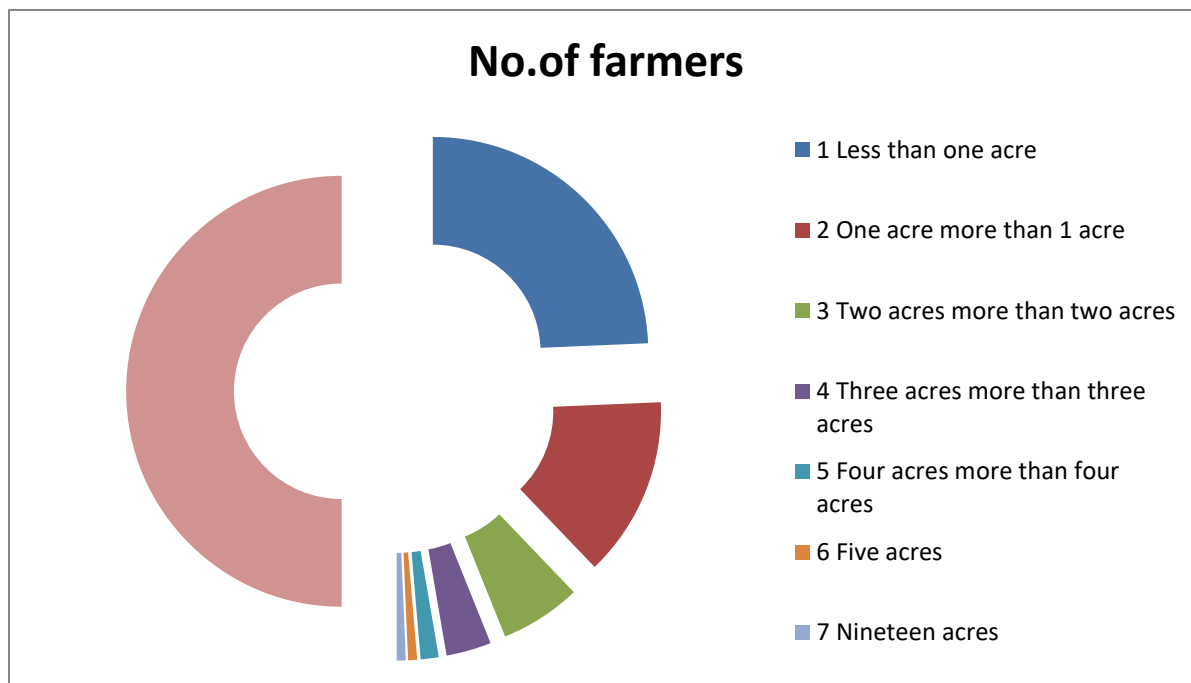
Source: primary data Ranjole village data

Figure No. 4.5.1: Farmers cultivating mango land size



Source: primary data Ranjole village data

Figure No. 4.5.2: Farmers cultivating mango land size



Source: primary data Ranjole village data

The Yield per Acre in Mango Orchard Cultivation

Mango crop will start commercial bearing after 4 – 5 years of establishment, we can bag returns from 5th year onwards in mango cultivation as commercial yield starts after 5 years. On average we can get around 7 tons of yield from one acre mango orchard depending upon spacing distance adopted, climate condition, and act.

The total expenditure on one acre Mango cultivation:

Total expenditure:

Expenditure land levelling and preparation: Rs.5, 000

Expenditure bore well: Rs.25, 000

Expenditure for drip installation: Rs.10, 000

Expenditure for infrastructure: Rs.30, 000

Expenditure on implements: Rs.10, 000

The total expenditure for 1 acre of mango cultivation: Rs.80, 000

The cost of one-acre mango cultivation: Rs 1, 12,375

Mango Cultivation Income, Yield, Profits

It contains cost incurred from land preparation to harvesting in a one acre mango field. On the average total cost of one acre, mango cultivation in the first year of establishment is Rs. 1,12,250 cost involved in the cultivation of mango, cost depends upon various factors like pest and disease incidence and weed impendence etc.

The total income commercial yield starts from 4 – 5 years after planting so; here we are taking 5th into the consideration to calculate profits. In the initial years, we can supplement the maintenance cost with returns obtained from intercrop. The mango sold in market was at an average price of Rs.4, 000 per quintal dated on 31-07-2019. During the season also it can be sold at minimum price of Rs.3, 000 per quintal. So, for selling 5 tones the farmer will get

$$\text{Rs.}50 \times 3,000 = 1,50,000.$$

The net profit from 1 – acre Mango farming

The net income involved in 1 acre Mango cultivation is 5Th years is:

The net income = gross returns – maintenance cost.

$$\text{Rs.}1,50,000 - \text{Rs.}31,250 = \text{Rs.}1,18,750$$

So, the net profit in the cultivation of one acre Mango field is Rs.1,18,750

The Conclusion In 1-Acre Mango Cultivation

So, after 5-years farmer can get a lump sum amount which is near around above one lakh from one acre mango orchard good maintenance.

Results indicated that mango chain is composed of nursery suppliers, mango producers, harvesters and assemblers, processors and traders. Main constraints encountered by both men and women are lack of: 1, polythene bags and improved mango production practices, 2, training on appropriate mango production practices, 3, appropriate harvesting tools, 4, appropriate processing knowledge and equipment, as well as high transportation cost. Hand weeding, use of organic fertilizer, seeking of advices from colleagues farmers, equipment's from other processors who own local processing equipment were some of the coping strategies developed by various actors along mango chains, soil fertility, favorable climate changing conditions, technical and financial support from direct or indirect actors through training on good agronomic techniques, availability of hired labour to perform farming and processing operations, existence of local processing plant to serve as outlet for fresh mango were identified as main factors to be exploited to improve mango value chains.

Traders normally buy fruit at the farm gate for sale to local and international markets. However, harvest, packing, transport, and while at wholesale and retail markets. Additional losses are

These necessitate the need to extend the shelf life of fruit to prevent further losses.

From 2017 the land under mango cultivation went up to 2 per cent and production fell to nearly 3 per cent from 2016 owing to various climate change, bad soil condition, extreme weather conditions mango production fell.

2: To find out whether mango farmers cultivating inter cultivating crops and find out this crops or giving profits:

MANGO: Intercropping with vegetables and fruits have more profitable to the farmers cultivating even in small piece of agriculture land boost total crop production per unit area.

According to information, the farmers have taken up cultivating of vegetables and fruits.

The mango farmers, who have been solely dependent on mango orchards for the last few years, are facing hardship in the wake of the adverse impact of seasonal variation.

Mango starts fruiting from 4th year onwards farmers have to wait until it gives the first crop until farmers go to inter crop cultivation for profits.

INTER CULTIVATION CROPS OR MULTI-CROPPING:

Vegetables: Tomato, Bhendi, Coriander, Colocasia, Green chilli, Onion, Brinjal and Spinach.

Spices: Ginger and Turmeric

Papaya:

pappy plantation as a intercrop with mango and pappy as cultivated with vegetables gives more profits to farmers cultivate inter cultivating crops. In 6 months period, vegetables give more profits to farmers. Papaya fruits harvest in 10 months after cultivation. Papaya plant fruits produce entire year. Papaya fruits produces nearly 100 tons per hectare. Papaya plants life 2 to 3 years only Papaya plant produces maximum 27 tons of fruits in 1 acre around 24494kg. Market cost of papaya fruit Rs.20 per kg. Profit of papaya fruits from 1 acre: Rs.489880.00.

Tomato:

Total expenditure on tomato per 1 acre: Rs.30150. Profit=Rs.150000-Rs.30150=Rs.119850.

Brinjal:

Total cost of cultivation on Brinjal crop in one acre: Rs. 40000.

Profit on Brinjal crop cultivation or income returns in 1 acre: Rs.200000.

Net profit from 1 acre Brinjal farming: $200000 - 40000 = \text{Rs.}160000$.

BHENDI:

The total cost of cultivation one acre of bhindi Rs.23350

Land cost Rs.5000=Rs.18350.

Total benefit in one acre of bhendi cultivation: $540\text{kg} \times \text{Rs.}45 \text{ per kg} = \text{Rs.}24300$.

Total income on one acre bhindi cultivation : $\text{Rs.}24300 - 18250 = \text{Rs.}5950$.

Green Chilli:

Total cost of expenditure Rs.20000. Total cost of profit Rs. 90000. $\text{Rs.}90000 - 20000 = 70000$.

Spinach:

Spinach can be grown in backyards as well as open fields commercially.

Cost of cultivation Rs.356.

Commercial spinach is good profitable farming.

Coriander:

Total cost of expenditure: Rs.23500.

The overall cost of cultivating a one-acre summer coriander crop there is around Rs.23500.

The selling price of one kilograms of coriander is Rs.130, hence $2000 \text{ kg} \times \text{Rs.}130 = \text{Rs.}260000$.

Ginger:

Ginger cultivate with mango orchards at matured mango tress as inter cultivating crop:

Total expenditure for 1 acre of ginger cultivation: Rs.1, 33,650

Profits from 1acre ginger:

So, income for 8 tones = 8000×32 = total income Rs 2, 56,000.

Farmers gets Profit from 1 acre ginger = total income –total expenditure = Rs. 2, 56,000-Rs.1, 33,650 = total profit Rs.1, 22,350.

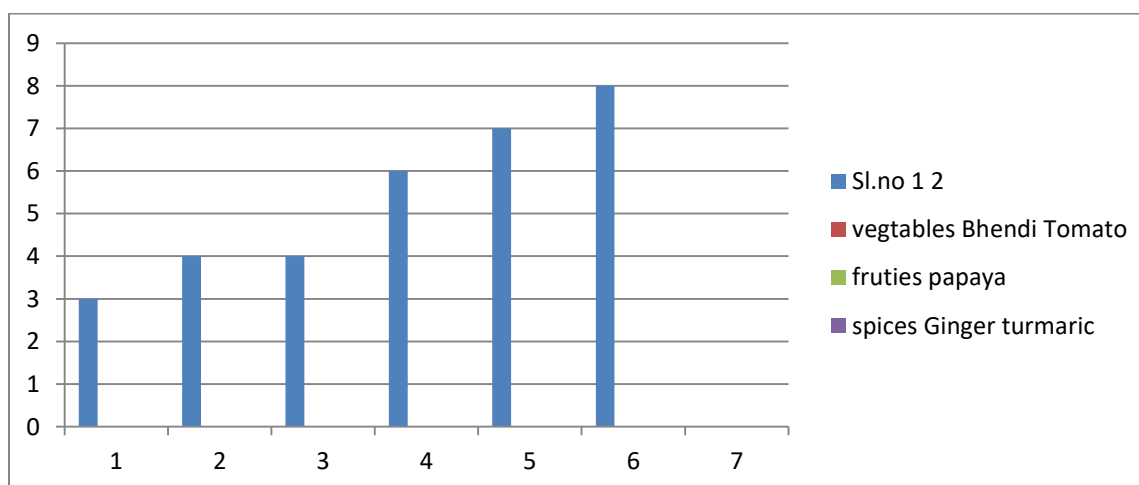
TURMERIC: The net income involved in 1 acre turmeric cultivation is: Rs101250-Rs 43441=Rs 57809 some net profit in one acre turmeric field is Rd 57809.

Table No.4.6: Intercultivating crops

Sl.no	Vegetables	Fruits	Spices
1	Bhendi	Papaya	Ginger
2	Tomato		Turmeric
3	Spanich		
4	Green chilli		
4	Brinjal		
6	Coriander		
7	colocosia		

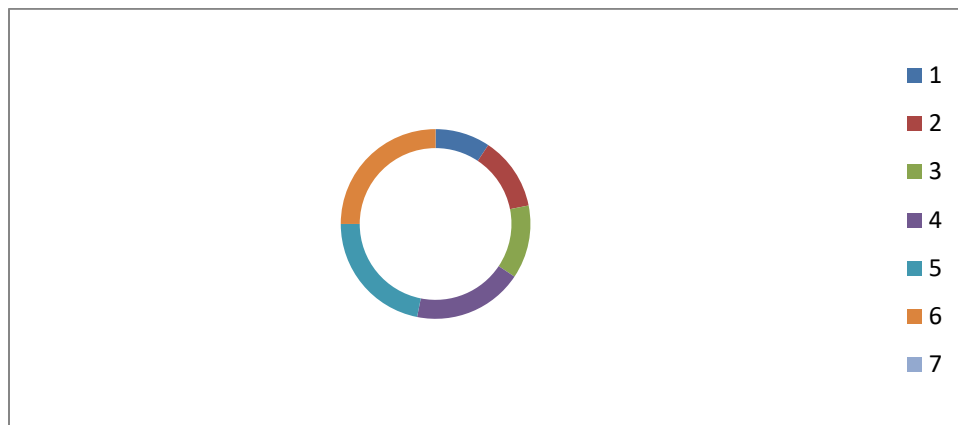
Source: primary data Ranjole village data

Figure no.4.6.1: Intercultivating crops



Source: primary data Ranjole village data

Figure No. 4.6.2: Intercultivating crops



Source: primary data Ranjole village data

Ginger Production in India

Table.No.4.7: Production trends of Indian ginger in last 10 years

Year	Production in Metric Toons
2019	996041
2018	893242
2017	1070000
2016	1109000
2015	760000
2014	655000
2013	683000
2012	756000
2011	702000
2010	385330

Source: Mandi contacts

THE IMPACT; the company has been successful in bringing about a progressive transition in the region's ginger production practices. In Medak district, ginger productivity (dry ginger/ha)

increased dramatically from 5.24 tons in 2006-2007 to 12.04 tons in 2011-12. This astonishing transformation might have been influenced by the firm's extension efforts, both directly and indirectly. The flow of information from farmer to farmer has aided in the expansion of production techniques in the region. Farmers in the Medak area report yields ranging from 210 to 260 quintals of fresh ginger per acre (8-13 months duration). Because of the water requirements of the ginger crop, crop diversification in favor of ginger will save water for crop development. The lack of water security in the region has resulted in a 23.6 percent decrease in the sugarcane area from 2007-08 to 2011-12. As a result, the transition to ginger, which requires less water, reduces water demand while increasing profits for farmers.

3: To find out whether ginger cultivation is profitable or loss:

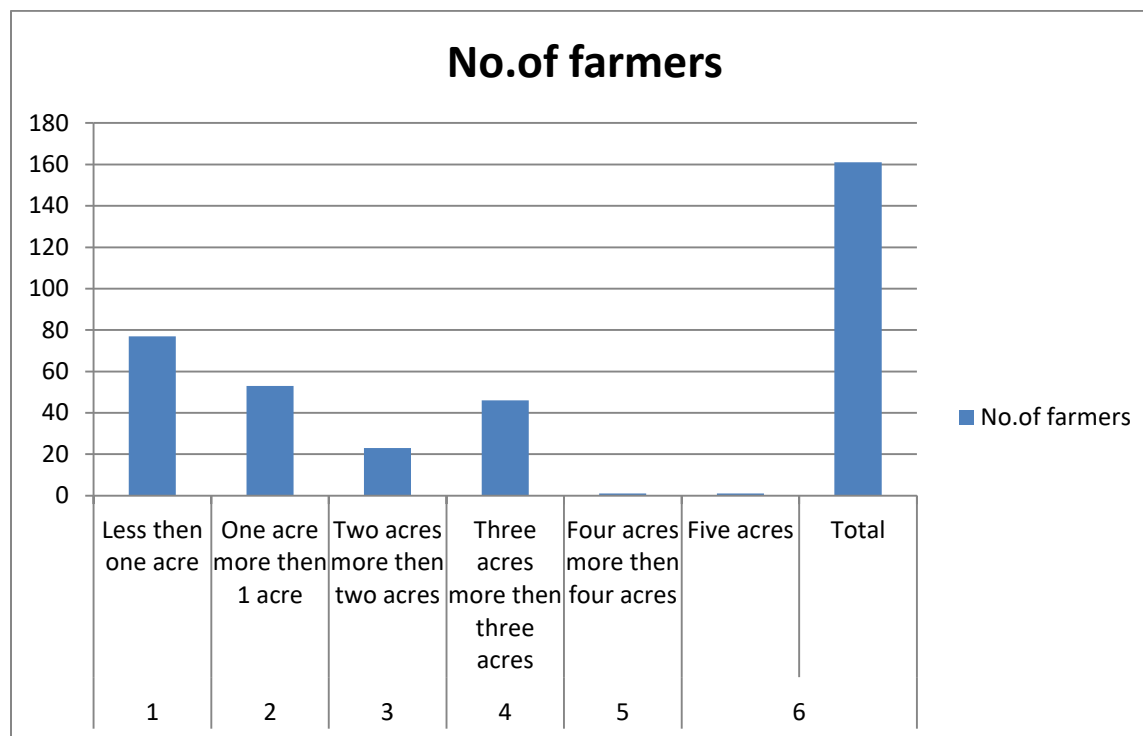
Telangana state Farmers are moving to ginger in Sangareddy and Zaheerabad area by converting mango orchards. There is a decline in mango productivity year on year as farmers are not interested due to the income being less.

Table No.4.8: Farmers cultivating ginger land size

Sl.no	Size of the land crop cultivating	No of farmers
1	Less than one acre	77
2	One acre more than 1 acre	53
3	Two acres more than two acres	23
4	Three acres more than three acres	6
5	Four acres more than four acres	1
6	Five acres	1
	Total	161

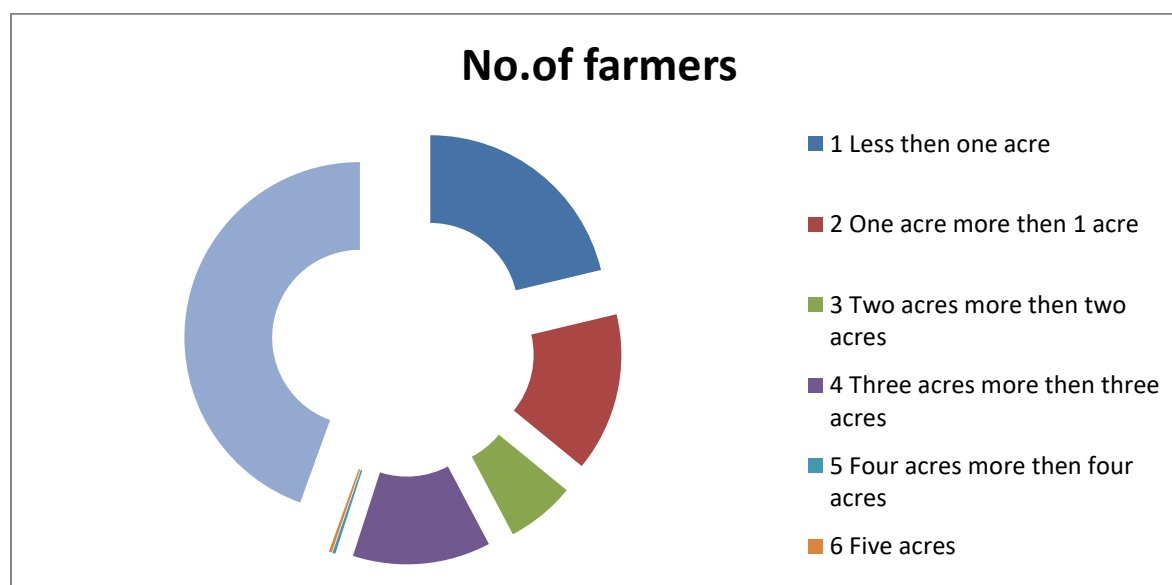
Source: primary data Ranjole village data

Figure No.4.9.1: Farmers cultivating ginger land size



Source: primary data Ranjole village data

Figure No.4.9.2: Farmers cultivating ginger land size



Source: primary data Ranjole village data

The ginger cultivation input cost and output cost:

Ranjole village: Ginger is the major crop cultivation 50% total no of farmers cultivating ginger 161 out of 325 farmers more profitable crop in less water land, second crop is Mango nearly 23 % cultivating 74 out of 325 farmers but gradually Mango cultivators are shifting to Ginger for more profits less loss. Ginger crop cultivates in two crops 1, first crop April-May season 2, November –December season. If the farmers they don't get rate in market they sell in summer. Ginger gives good profits if it is sold in-between Rs.35- Rs. 45 is profitable

Total Cost of expenditure of ginger cultivation in 1 acre:

Total expenditure for 1-acre ginger cultivation: Rs.1, 33,650

Income returns:

Market cost of 1 kg ginger's 35.

From 1 acre ginger produces 8 tones

One Acre ginger profits: $8000 \text{ tones} \times \text{Rs.}32 = \text{Rs } 2, 56,000$.

Ginger farmer gets profit from 1 acre: Profit = income – total cost = Rs. 2, 56,000 - Rs.1, 33,650 = Rs.1, 22,350.

Ginger cultivation from 1acre will get profit of: Rs.1, 22,350.

* Government should finance the farmers through financial institutions. Increase the number of financial institutions.

* Government should establish spices board and the national horticulture to the farmers at the time of cultivation.

Telangana state ginger cultivation:

Cost of Ginger November 2020 Rs 60 kg. Production in state ginger. Existing 11,040 MT Depict 48,960 MT

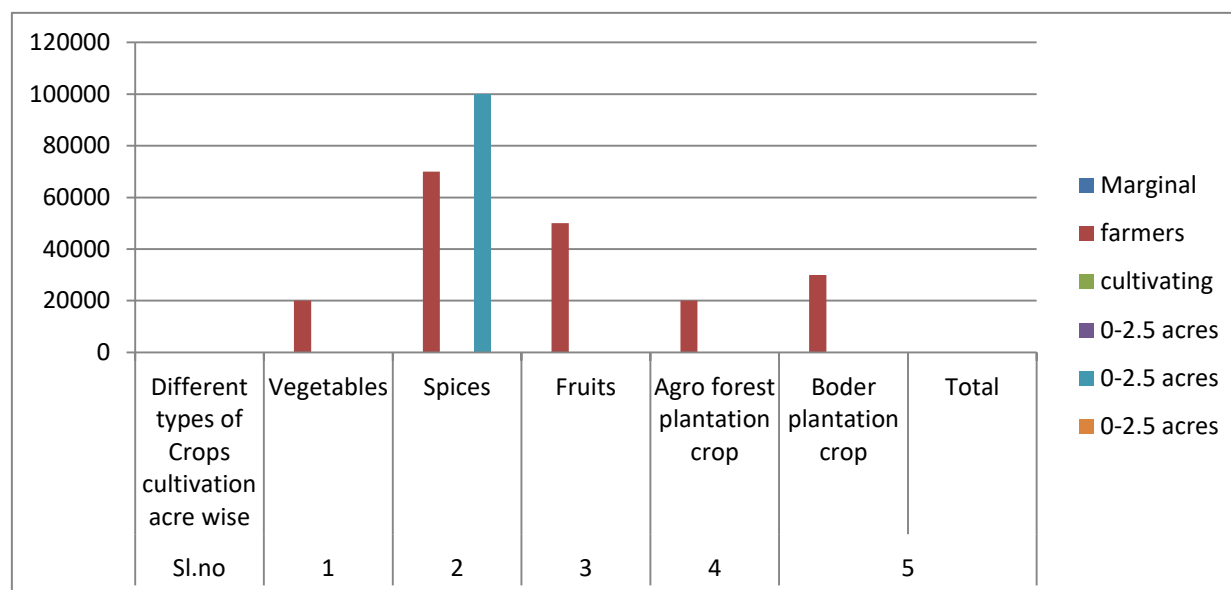
4.To find out whether marginal farmers are getting agriculture credit from institutional finance and non-institutional finance.

Table No.4.9: Marginal farmers cultivating different Crops cultivation acre wise.

Marginal Farmers Cultivating 0-2.5acres							
Sl.no	Different types of Crops cultivation acre wise	Farmers cultivating Less than 1acre	Non-institutional credits interest rate per month	Interest Rate Per month	Farmers cultivating More than 1 - 2.5 acres	Institutional Credits	Interest Rate Per annum
1	Vegetables	15	20000	2-5 %	24	20000-50000	7.25 %
2	Spices	84	70000	2-5 %	85	100000	7.25 %
3	Fruits	43	50000	2-5 %	44	50000-70000	7.25 %
4	Agro forest plantation crop	1	20000	2-5 %	1	20000-50000	7.25 %
5	Boder plantation crop	2	30000	2-5 %	0	-----	
	Total	145		2-5 %	154		

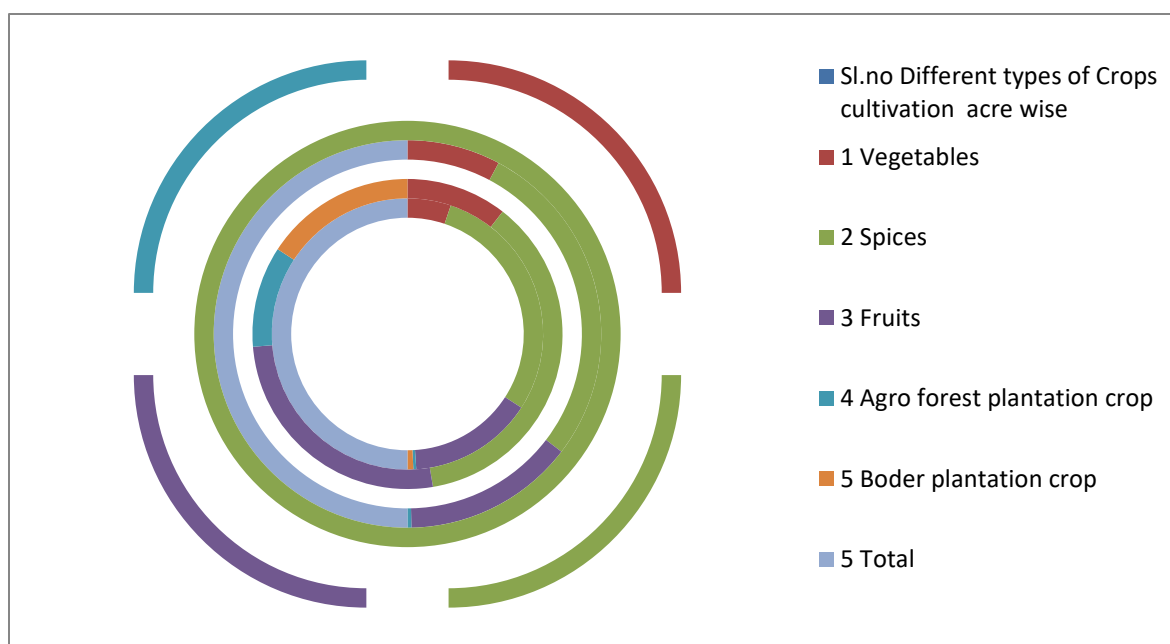
Source: primary data Ranjole village data

Figure No.4.10.a: Marginal farmers cultivating Different types of Crops cultivation acre wise



Source: primary data Ranjole village data

Graph, No.4.10.b: Marginal farmers cultivating Different types of Crops cultivation acre wise.



Source: primary data Ranjole village data

The total number of farmers cultivating 325. The total number of marginal farmers 299 (92%). The total number of small farmers 23 (9.78%). The total number of medium farmers 2 (0.61%). The total number of large farmer 1 (0.30%).

Most of the marginal farmers cultivating in small pieces of land. lack of irrigation facility and dry land. Out of 325 cultivators 299 farmers are cultivating in between 0-2.5 acres of agriculture land.

Farmers cultivating in between 0-2.5 acres marginal farmers are 299 out of 299 cultivators 145 having less than one acre of land. 145 (48.50%) cultivators are not eligible for institutional credits. 154 marginal farmers are eligible for institutional credit

Total number of 145 farmers getting non-instructional agricultural credits at rate of interest 3%, 5% per month. 145 farmers cultivating in small pieces of land less than 1 acre. from 0.1 acre to 0.38 acres farmers cultivating. 1 acre equals to 40 square yards.

Farmers cultivating different types of crops:

Vegetables: Tomato, Bhendi, Coriander, Colocasia, Green chilli, Onion, Brinjal and Spinach.

Spices: Ginger, Turmeric and ajwain

Fruits: Mango, Banana, Papaya, sweet orange, guava, dragon fruit, sapota and acid lime

Agro forest plantation crop: subabul

Boder plantation crop: Teak (bund)

***State and central government financial supporting schemes are financially helpful to vegetables and spices cultivators.**

Non- institutions:

Due to loan amount not sufficient mostly farmers go for landing to money leaders , relatives, friends, house relations for loans, hand loans 3%, 5%, 10%. Interest.

Institutions Banks:

1. State bank of India (S.B.I).

Commercial banks loan amount Rs 1, 0000.

S.B.I. Rate of interest 7.25% per annum

2. Corporation Bank

Loan amount Rs 70,000 per acre.

2. Corporation Bank

Loan amount Rs 70,000 per acre.

Rate of interest 7.25% per annum

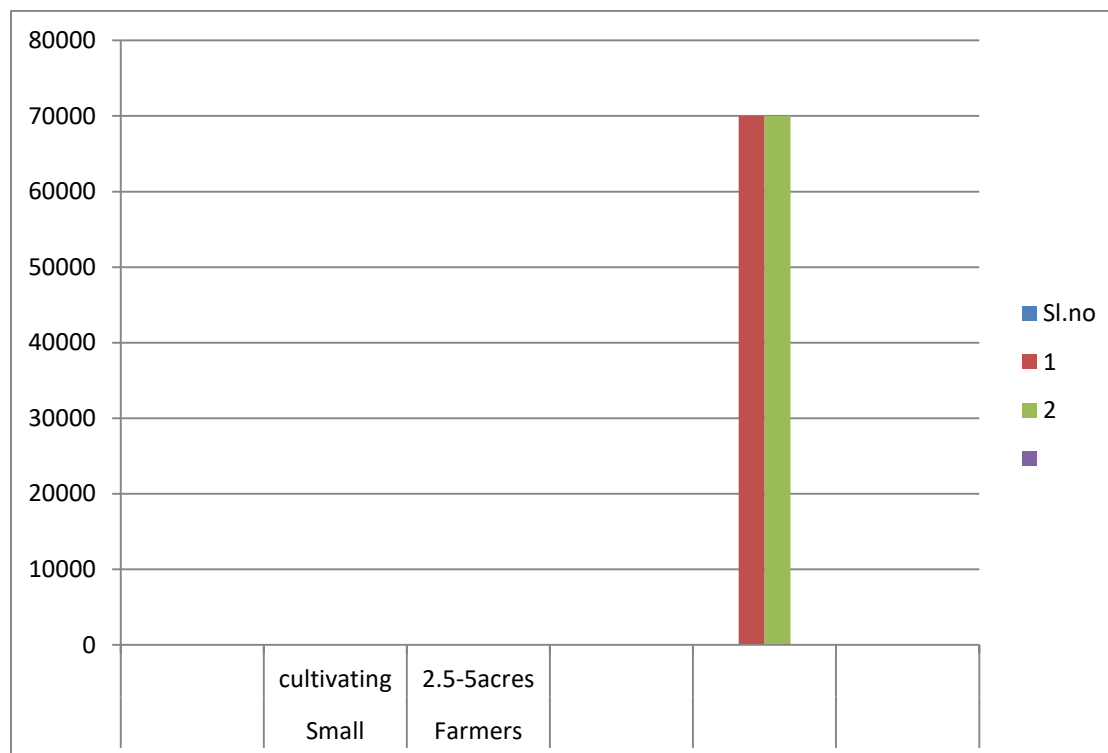
5. To find out whether small farmers are getting agriculture credit from institutional finance and non- institutional finance.

Table.No.4.10 Small farmers cultivating different types of crops cultivation acre wise.

Small cultivating Farmers 2.5-5 acres						
Sl.no	Different types of Crops cultivation acre wise	No.of farmers	institutional credits	interest rate per annum	Non-institutional credits	interest rate per month
1	Spices	11	1 lakh	7.25 %	70000	5 %
2	Fruits	12	1 lakh	7.25 %	70000	5 %
	total	23				

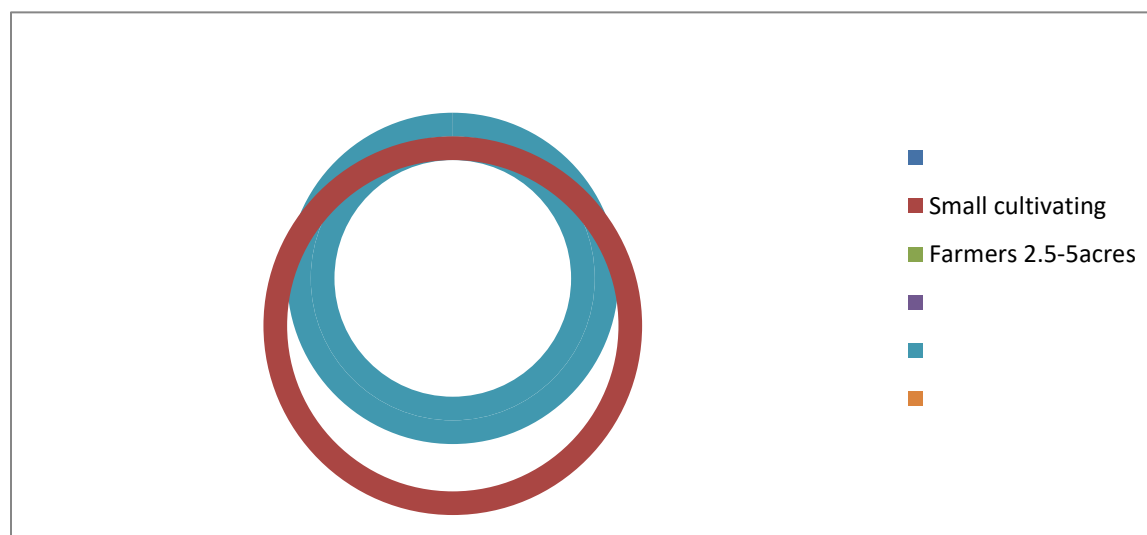
Source: primary data Ranjole village data

Figure No.4.11.a Small farmers cultivating different types of Crops cultivation acre wise.



Source: primary data Ranjole village data

Graph.No.4.11.b: Small farmers cultivating different types of Crops cultivation acre wise.



Source: primary data Ranjole village data

Total numbers of Farmers 325. Out of 325 cultivators 23 cultivators are Small farmers cultivating in between 2.5 to 5 acres of agriculture land. 23 cultivators are eligible for agricultural credit.

Spices: Ginger and Turmeric

Fruits: Mango and Banana

Total number of 23 farmers getting instructional agricultural credits at rate of interest 7.5% per annum. 23 farmers cultivating. From 2.5 acre to 5 acres farmers cultivating.

Total number of small farmers 23. Out of 23 farmers 7 are ginger cultivators, 4 are turmeric cultivators. Ginger cultivation more expansive farmers need more agriculture credit. As Per government agriculture land valuation in this Ranjole village 1 lakh per acre. Institutional sanction as per government land valuation agriculture credit 1 lakh per acre. Input cost per ginger cultivation Rs. 1,33,650. Farmer getting Rs. 40,000 thousand from non-institutional credits.

Turmeric cultivation: Total numbers of turmeric cultivators are 4. Per acre turmeric cultivation Rs. 43,441. Institutional credit is sufficient for turmeric cultivation.

Institutions:

1. State bank of India (S.B.I).

2. Corporation Bank

Loan amount Rs 1,00,000 per acre

Banks may not insist on repayment in case of crop failure or natural calamities: in some times government helps.

Commercial banks loan amount Rs 1,00,000.

Private loans amount Rs 20,000. To 50,000

S.B.I. Rate of interest 7.25% per annum

Non-institutions:

Due to loan amount not sufficient mostly farmers go for landing to money leaders , relatives, friends, house relations for loans, hand loans 3%, 5%,10%. Interest.

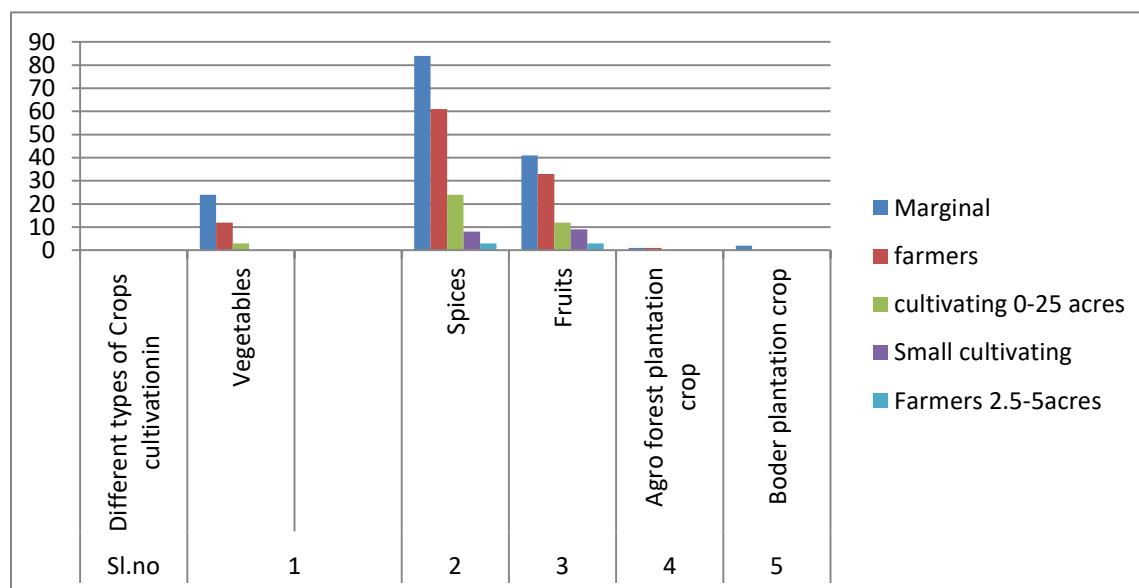
Private rate of interest 2%, 3%, 5% per month

Table No.4.11: Marginal and small farmers cultivation of different crops acre wise expenditure and profits

		Marginal farmers cultivating 0-25 acres			Small cultivating Farmers 2.5-5acres		Medium farmers 5-10 acres	Large farmers above 10 acres
Sl.no	Different types of Crops cultivation acre wise	Farmers cultivating Less than 1acre	Farmers cultivating More than 1 acre	Farmers cultivating More than 2 acres	Farmers cultivating More than 3 acres	Farmers cultivating More than 4 acres	Farmer cultivating more than five acres	Farmers cultivating more than 10 acres
1	Vegetables	15	21	3	0	0		
2	Spices	84	61	24	8	3	1	
3	Fruits	43	32	12	9	3	1	1
4	Agro forest plantation crop	1	1	0	0	0		
5	Boder plantation crop	2	0	0	0	0		
	total	145	115	39	17	6	2	1

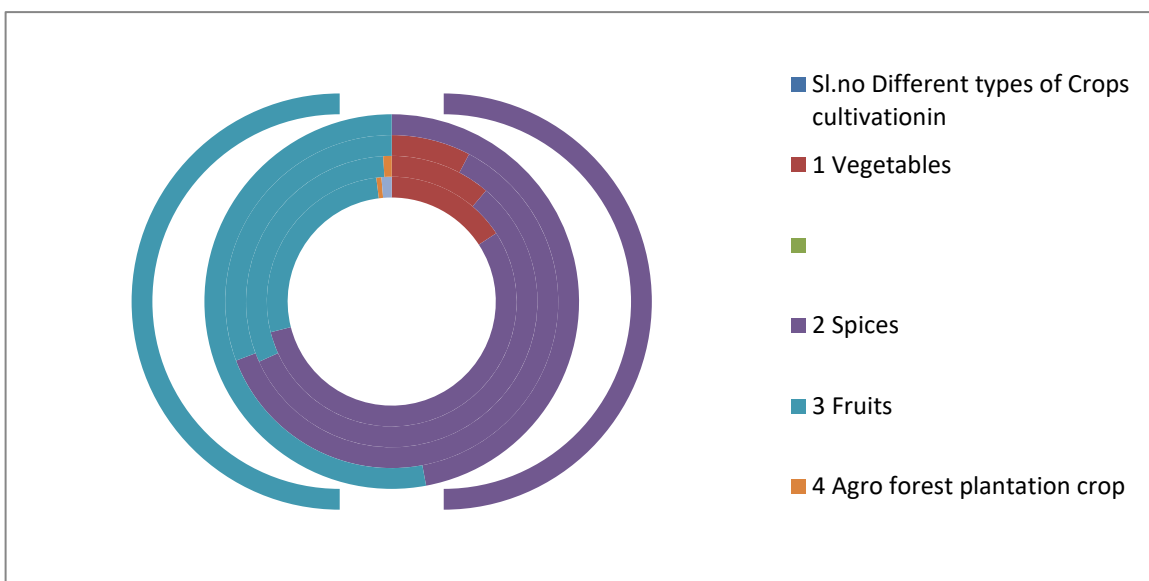
Source: primary data Ranjole village data

Graph.no. 4.12.1 Marginal and small farmer's cultivation of different crops acre wise expenditure and profits.



Source: primary data Ranjole village data

Graph No.4.12.2: Marginal and small farmers cultivation of different crops acre wise expenditure and profits.graph



Source: primary data Ranjole village data

Horticultural Loan: Horticulture Loan is an agriculture farm loan offered for land development projects related to orchids or vegetable farms. The loan can be used to cover expenses such as fencing, setting up boundaries, and clearing wild plants and trees amongst others.

1, Vegetables: Tomato, Bhendi, Coriander, Colocasia, Green chilli, Onion, Brinjal and Spinach. Total number of marginal farmers are 39 cultivating, all the 39 cultivators are marginal farmers cultivating in between 0-2.5 acres out of 39 cultivators total number of Tomato total number of cultivators are 11, Bhendi total number of cultivators are 12, Coriander total number of cultivators are 1, Colocasia total number of cultivators are 7, Green chilli total number of farmers cultivators are 4, Onion total number of cultivators are 1, Brinjal total number of cultivators are 2 and Spinach total number of cultivators are 1.

Farmers cultivating less than 1 acre (40 guntals or square yards) are 24 farmer's institutional agricultural credits not eligible. Farmers cultivating above 1 acre are 12 and above 2 acres are 3. Farmers cultivating above 1 acre and above 2 acres need agriculture loan and amount from both institutions and non-institutions.

Tomato:

Total expenditure on tomato per 1 acre: Rs.30150.

Profit = Rs.150000 - Rs.30150 = Rs.119850.

BHENDI:

The total cost of cultivation one acre of bhindi Rs.23350

Land cost Rs.5000 = Rs.18350.

Total benefit in one acre of bhendi cultivation: 540kg x Rs.45 per kg = Rs.24300.

Total income on one acre bhindi cultivation: Rs.24300 - 18250 = Rs.5950.

CORIANDER:

Total cost of expenditure: Rs.23500.

There the total cost of one acre summer "coriander crop cultivation" is about Rs.23500.

The selling price of 1 kg coriander is Rs.130 per kg therefore $2000 \text{ kg} \times \text{Rs.130} = \text{Rs.260000}$.

COLOCASIA:

In telangana state most of the farmers cultivate colocasia .it takes to grow 1year .

Colocasia is very chepest to grow the no need of more investment

Colocasia has more market demand in telangana state

Colocasia can not store more than one month

Colocasia produces 3 tones in 1 heater of land.

GREEN CHILLI:

Total cost of expenditure Rs.20000. Total cost of profit Rs. 90000. $\text{Rs.90000} - 20000 = 70000$.

ONION:

In Telangana state onion cultivation by very few farmers cultivate in few places or districts

Onion cultivated in two seasons' kharif and Rabi
Onion cultivation in 1 acre expenditure:
Rs.36850.

Income returns in 1 acre onion farming: Rs.208000.

Onion farmer will get profit from 1 acre onion cultivation: $\text{Rs.208000} - \text{Rs.36850} = \text{Rs.171150}$.

BRINJAL:

Total cost of cultivation cost of Brinjal in 1 acre: Rs. 40000.

Profit of Brinjal farming or income returns in 1 acre: Rs.200000.

Net profit from 1 acre Brinjal farming: $200000 - 40000 = \text{Rs.160000}$.

SPINACH:

Spinach can be grown in backyards as well as open fields commercially.

Cost of cultivation Rs.356.

Commercial spinach is good profitable farming.

2, SPICES: Ginger, Turmeric and Ajwain (vama)

Total number of marginal farmers 169 cultivating in between 0-2.5 acres. Total Ginger cultivation 161 out of 161 farmers 77 farmers cultivating less than 1 acre, 53 are more than 1acre 23 are more than 2 acres. Ginger cultivation is more expensive for 1 acre Rs.1, 22,350. lakhs expenditure, the ginger farmer cultivation of ginger in one acre is net income is Rs.1,22,350. marginal farmers cultivating less than 1 acre are not eligible for institutional agricultural credit ginger farmers has to getting from non-institutional credits. Ginger farmers cultivating 1 acre and above 1 acre are eligible for institutional credit .institutional credit is not sufficient for ginger cultivators. Ginger cultivators' getting from non- institutional credit on high interest rate. Total Turmeric cultivators 14 out of 14 cultivators 10 are marginal farmers and 4 are small farmers and total number of total Ajwain cultivators 6. Total 6 numbers of cultivators are marginal farmers.

Total number of Small farmers are cultivating 2.5-5 acres are 12 cultivators barrow from the institutional loans. Out of 12 cultivators 8 are ginger cultivators and 4 are turmeric cultivators and Ajwain cultivators are zero.

* Government should finances the framers through financial institutions. Increase number of financial institutions.

*Government should establish spices board and the national horticulture to the farmers at the time of cultivation.

Ginger cultivation is profitable:

Total expenditure on 1 acre ginger cultivation: Rs.1, 33,650

Profit of ginger cultivation in 1 acre:

Market cost of 1 kg ginger Rs.32

Income of ginger farmer from one acre. 1 acre ginger produces nearly 8 tones = $8000 \times 32 = \text{Rs } 2,56,000$.

From 1 acre of ginger cultivation, ginger farmer will get the profit: Profit =income –total expenditure = Rs. 2, 56,000-Rs.1, 33,650 =Rs.1, 22,350.

TURMERIC:

The net income involved in 1 acre turmeric cultivation is: Rs101250-Rs 43441=Rs 57809 some net profit in one acre turmeric field is Rd 57809.

AJWAIN:

In Telangana state ajwan crop becoming very important in recent years. ajwain crop is suitable to cultivate in all districts of Telangana state ajwain has good market demand and very few cultivation problems to ajwain farmers.

Profit: price of 1 Kg of ajwain seeds Rs.130 per Kg

Ajwain seeds 1 quintal price: 130x100=Rs.13000

Income for the average yield of ajwain seeds of 5 quintals.

5x13000=Rs.65000

Profit=income-expenditure=Rs.65000-Rs.34100=Rs.30900.

Profit of 1 acre ajwain Rs.30900.

3, Fruits: Mango, Papaya, Banana, Guava, Dragon fruit, Sweet orange, sapota and acid lime.

Total number of marginal farmers 87 cultivating in between 0-2.5 acres. Out of 87 farmers, total number of Mango cultivators are 74 out of 74 cultivators are 65 are marginal farmers 7 are small farmers,, total number of farmers Papaya cultivators 7 need of agricultural credit it is an inter crop also, total number of Banana cultivators are 10 out of 7 are marginal farmers 3 are small farmers, total number of Guava cultivators 2 need of agricultural credit, total number of Dragon fruit cultivator 1 marginal farmer need agricultural credit, total number of sweet orange total cultivators are 4 out of 4 cultivators. 2 farmers cultivating marginal farmers and 2 are small farmers cultivating need agriculture credit, total number of sapota cultivator 1 marginal farmer needs agriculture credit and total number of acid lime cultivators 2 are marginal farmers need agriculture

credit. Total number of Small farmers are cultivating 2.5-5 acres are 12 cultivators barrow from the institutional loans. Out of 12 cultivators Mango farmers cultivating are 7, Banana cultivating are 3 and Sweet orange cultivating are 2.

MANGO: The net profit from 1 – acre Mango farming. The net income involved in 1 acre Mango cultivation starts from 5th years is: The net income = gross returns – maintenance cost. $\text{Rs.1, 50,000} - \text{Rs.31, 250} = \text{Rs1, 18,750}$. So, net profit in cultivation of one acre Mango field is Rs.1, 18,750

Papaya:

Papaya cultivation in 1 acre 27000 kgs of papaya fruits produces. The market cost of 1 kg papaya fruit Rs.20

$\text{Rs.20} \times 27000 \text{ kgs} = \text{Rs.540000}$. Papaya farmer get for one acre profit on papaya fruits: Rs.540000.

BANANA:

In Telangana state for banana cultivation horticulture board provides 100 per cent subside loans and government of India with insurance companies on banana cultivation provides up to Rs.1 lakh rupee by paying a premium of Rs.5500 for banana farming.

The total expenditure on banana cultivation per 1 acre: Rs. 65,610.00.

In 1 acre 320 banana plants can be cultivated

One banana plant harvest one bunch off banana 100 fruits from 320 plants bunch. Rs.1, 44,000.00 .

The total profit from 1 acre banana cultivation is: $\text{Rs.144000.00} - \text{Rs.65610.00} = \text{Rs.78390.00}$.

GUAVA:

Guava plantation in one acre can be planted around 112 guava plants.

One guava plant starts fruiting from 2nd year. One guava plant gives 20 to 24 kgs of fruits

Guava plant increases produce fruits every year

Total guava fruits produce from 1 acre 2700kgs

Marker Cost depends on demand fruit 1 kg guava various from Rs.40 to Rs.100 depend on season and market demand.

Expenditure on insecticides and pesticides: Rs.600 per kg.

Guava farmers get after 2nd year income on the guava fruits: Rs.270000.

Total return on: Rs.68800.

DRAGON FRUIT:

Dragon fruit plantation in one acre in first year of cultivation.

Total expenditure on dragon fruit in 1 acre: Rs.100000.

Dragon fruits farmer for 1st year he will get 700 to 800 kgs of dragon fruits in telangana.

In Telangana market price of dragon fruit Rs.150 per kg.

Dragon fruit farmers gets 1.5 lakhs in 1st year. dragon fruit farm is very benefits every from 1st years onwards farmer will get huge profits every year. Dragon fruit cultivating farmer can get Rs.4 lakhs in from 1st year onwards from one acre compare to any commercial crops.

SWEET ORANGE:

Sweet orange cultivation: the expenditure on sweet orange plants 30 to 40 thousand every year from 1st year of plantation to 3rd year. the sweet orange plant starts bearing fruits after 3rd year onwards harvest starts. One sweet “orange plant” harvest 10 kgs of sweet orange fruits. In one hectare produces 2750 kgs of sweet orange fruits. Market cost of sweet orange 2750kgs=Rs.220000 in 4th year of sweet orange plantation. Sweet orange plant increase fruits produce in every after year the yield of sweet orange increase and the income also increase.

SAPOTA:

Sapota cultivation after planting of sapota plants it starts harvesting from 5th year

In one acre sapota plant gives 100 quintals

Market price of sapota fruits: Rs 50 per kg.

The annual yield from the farm on the 5th year would be: 100 quintals (approx.)

Sales price of sapota fruit: Rs 50 per kg.

The profits from the sapota cultivation after 5 years: total yield x price per kg sapota).

$(100 \times 100 \times 50) = \text{Rs.}500000$.

The profit of sapota crop total income – total expenditure during sapota crop maintenance).

$(\text{Rs.}500000 - \text{Rs.}101000) = \text{Rs.}399000$.

ACID LIME: acid lime is appreciable not only for its beautiful appearance and pleasing flavor but also for its excellent fruit qualities. Limes are used as fresh fruit, preparation of pickles and beverages; lime is a good antioxidant property.

The expenditure on the cultivation of acid lime: Rs.37000 per hectare in the 1st year, and cost for maintenance in the 2nd year and subsequent years would be about Rs.15000 per hectare.

Acid lime fruit harvesting in 1 acre: acid lime starts giving fruits from 5th year of plantation

From 5th year acid lime gives 3 to 4 crops every year.

Total cost till 1st-12th years =Rs.355324

Total income from 5 to 12 years=Rs.4752000

Profits=4752000-355324=Rs.4396676

4, Agroforest plantation crop: Malabar Veppa cultivator 1 and Subabul cultivators 1.

Subabul:

Subabul cultivation: subabul plants take time to grow upto 3 years. In one acre subabul in every three years it gives 30 tones. The market rate of subabul plants Rs.3000 per ton. Subabul plant gives profit from one acre in 3 years Rs. 100000

MALABAR VEPPA (MELLA DUBIA):

Advantages for farmers the price of wood per ton is Rs.4000-5000/- and minimum gross revenue would be Rs.120000/- (i.e. Rs.4000x30) per acre annually with harvesting of 45% of trees.

5, Border plantation crop: Teak (Bund) same person having 2 pieces of agriculture land.

TEAK:

Teakwood cultivation: farmer can cultivate 500 teak plants in 1 acre.

One teak plant cost Rs.79.

Farmer will get from one acre teakwood 500 plants

One teak plant to grow and become tree it takes 10 years

From one teakwood tree: 12 cubic feet from one teak tree

One cube feet teakwood cost Rs.2500

One teak tree coast: Rs.2500x12 cubic feet=Rs.30000x500 teak trees

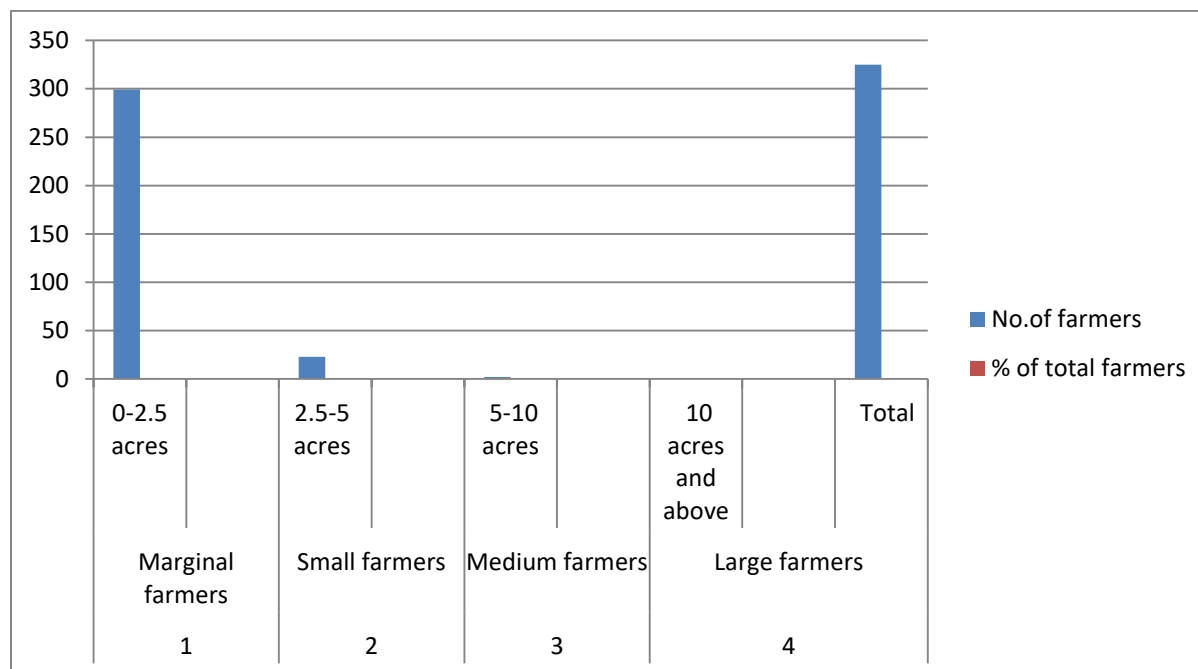
After 10 years of teak plantation in one acre will get: Rs.30000x500 teak trees=150, 00000.

Table No.4.12 Category which the farmer belongs

Sl.no	Land cultivating	Land details of the farmer	No. of farmers	% of total farmers
1	Marginal farmers	0-2.5 acres	299	92 %
2	Small farmers	2.5-5 acres	23	9.78%
3	Medium farmers	5-10 acres	2	0.61%
4	Large farmers	10 acres and above	1	0.30%
		Total	325	

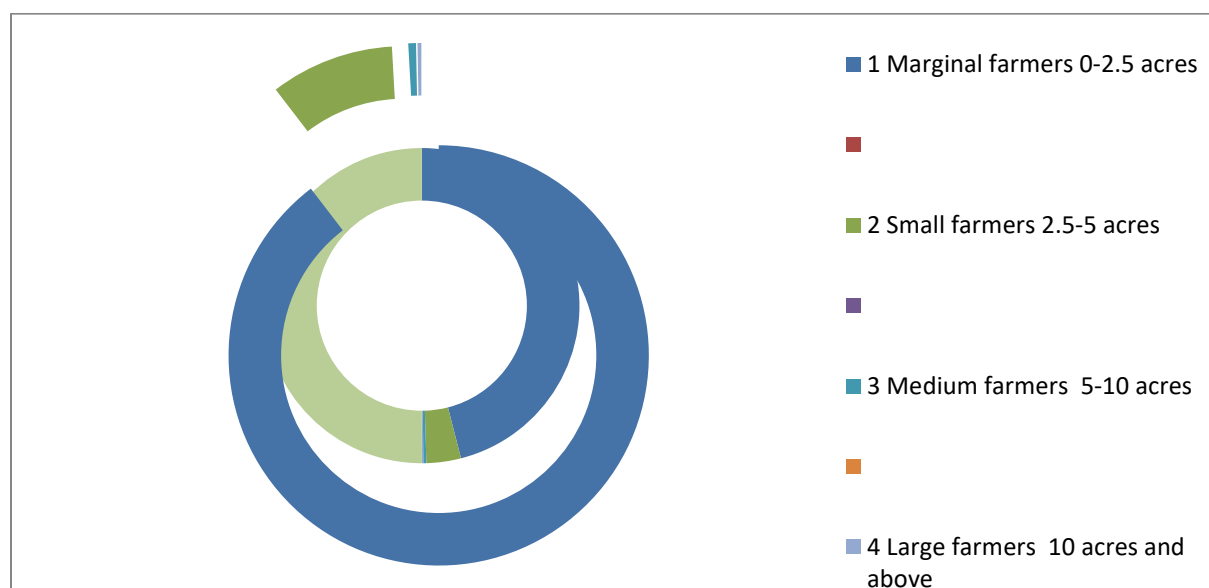
Source: primary data Ranjole village data

Graph no.4.13.1: Category which the farmer belongs



Source: primary data Ranjole village data

Category which the farmer belongs graph no.4.13.2



Source: primary data Ranjole village data

The total number of farmers cultivating 325. The total number of marginal farmers 299 (92%). The total number of small farmers 23 (9.78%). The total number of medium farmers 2 (0.61%). The total number of large farmer 1 (0.30%).

Most of the marginal farmers cultivating in small pieces of land. Lack of irrigation facility and dry land. Out of 325 cultivators 299 farmers are cultivating in between 0-2.5 acres of land.

Farmers cultivating in between 0-2.5 acres marginal farmers are 299 out of 299 cultivators 144 having less than one acre of land. 144 cultivators are not eligible for institutional credits. 155 marginal farmers are eligible for institutional credit.

Total numbers of Farmers 325. Out of 325 cultivators 23 cultivators are Small farmers cultivating in between 2.5 to 5 acres of agriculture land. 23 cultivators are eligible for agriculture credit.

Cultivating different crops and inter cultivation crops cultivating.

Vegetables: Tomato, Bhendi, Coriander, Colocasia, Green chilli, Onion, Brinjal and Spinach.

Spices: Ginger and Turmeric

Fruits: Banana Papaya and Guava

Agricultural loan: agriculture loan, or popularly called Kristi loan, is a loan facility offered to people employed in the agriculture sector to carry out agricultural activities such as purchasing agricultural land, purchasing farming and irrigation machinery, and for purchasing fertilizers and seeds, among others. The fund attained through agriculture crop loans can be used for harvesting, plugging, sowing, wedding, or transportation of agricultural products. The loan is offered by lending institutions such as Banks, financing companies or Government funded agencies.

Financial Assistance: with regard to securing loan from banks, not all farmers are able to access to institutional credit, particularly those in rain fed areas, who are mostly dependent on money lenders even today. About 70% of the farmers unable to get banks finance as per a survey report of ICRISAT, Hyderabad.

Rotating crops cultivating :

rotation crops cultivation in every two alternate years with different crops in the same agriculture in place of old crop new crop will cultivated to improve agriculture land soil health optimizes nutrients in the soil and combat pest and weed effect.eg: ginger crop. Rotating crops cultivation profitable to cultivator vegetable gives more profits it's depend on market variations. Spices should rotatable alternative year protection from pesticides and despise. Fruits are seasonal under suitable condition fruits give production it depends on season.

CHAPTER V: FINDINGS CONCLUSION AND RECOMMENDATIONS

Fieldwork Ranjole Village in Zaheerabad Mandal Sangareddy District:

Telangana state Farmers are moving to ginger in Sangareddy and Zaheerabad area by converting mango orchards. There is a decline in mango productivity year on year as farmers are not interested due to the income being less.

Total number of farmers cultivating 22 different types of crops which giving profits to farmers and state and central government schemes helping farmers in financially supporting for cultivating crops mostly “small and marginal farmers” are benefited by schemes

The yield per acre in mango orchard cultivation

Mango crop will start commercial bearing after 4 – 5 years of establishment, we can bag returns from 5th year onwards in mango cultivation as commercial yield starts after 5 years. On average we can get around 7 tons of yield from one acre mango orchard depending upon spacing distance adopted, climate condition, and act.

1, Mango cultivation income, yield, profits

It contains cost incurred from land preparation to harvesting in a one acre mango field. On the average total cost of one acre , mango cultivation in the first year of establishment is Rs. 1,12,250 cost involved in the cultivation of mango, cost depends upon various factors like pest and disease incidence and weed impendence etc.

The total income commercial yield starts from 4 – 5 years after planting so; here we are taking 5th into the consideration to calculate profits. In the initial years, we can supplement the maintenance cost with returns obtained from intercrop. The mango sold in market was at an average price of Rs.4, 000 per quintal dated on 31-07-2019. During the season also it can be sold at minimum price of Rs.3, 000 per quintal. So, for selling 5 tons the farmer will get

In 1-acre Mango cultivation

So, after 5-years farmer can get a lump sum amount which is near around above one lakh from one acre mango orchard good maintenance.

2. To find out whether mango farmers cultivating inter cultivating crops and find out this crops or giving profits.

Inter crop like vegetables, low growing field crops and fruits like papaya can be profitable growing in young orchards.in old orchards shade tolerating crops like ginger, turmeric etc. can be taken.

Inter cropping with vegetables and fruits getting more profits cultivating with mango orchards the space in between each mango plant area can be utilized for cultivating fruits and vegetables it giving more profits to famers for total cultivating agriculture area.

According to information, the farmers have taken up cultivating of vegetables and fruits.

The mango farmers, who have been solely dependent on mango orchards for the last few years, are facing hardship in wake of the adverse impact of seasonal variation.

Vegetables: Tomato, Bhendi, Coriander, Colocation, Green chili, Onion, Brinjal and Spinach.

Spices: Ginger and Turmeric

Tomato:

Total expenditure on tomato per 1 acre: Rs.30150.

Profit=Rs.150000-Rs.30150=Rs.119850.

BRINJAL:

Total cost of cultivation on Brinjal crop in one acre: Rs. 40000.

Profit on Brinjal crop cultivation or income returns in 1 acre: Rs.200000.

Net profit from 1 acre Brinjal farming: 200000-40000=Rs.160000.

BHENDI:

The total cost of cultivation one acre of bhindi Rs.23350

Land cost Rs.5000=Rs.18350.

Total benefit in one acre of bhendi cultivation: $540\text{kg} \times \text{Rs.}45 \text{ per kg} = \text{Rs.}24300$.

Total income on one acre bhindi cultivation: $\text{Rs.}24300 - 18250 = \text{Rs.}5950$.

GREEN CHILLI:

Total cost of expenditure Rs.20000. Total cost of profit Rs. 90000. $\text{Rs.}90000 - 20000 = 70000$.

SPINACH:

Spinach can be grown in backyards as well as open fields commercially.

Cost of cultivation Rs.356.

Commercial spinach is good profitable farming.

CORIANDER:

Total cost of expenditure: Rs.23500.

There the total cost of one acre summer coriander crop cultivation is about Rs.23500.

The selling price of 1 kg coriander is Rs.130 per kg therefore $2000 \text{ kg} \times \text{Rs.}130 = \text{Rs.}260000$.

2, Spices: Ginger and Turmeric:

Ginger Cost of cultivation:

Seedlings cost Rs. 35, 000 per acre.

Fertilizers cost Rs. 5,000 per acre.

Charges for irrigation: Rs.8,000 per acre

Charges for plant protection: Rs. 3,000 per acre

Charges for labor: Rs.3,500 per acre

The cost of transportation is Rs.1,500.

Charges for miscellaneous items: Rs.1,000

10% of the total cost: Rs.12,150

The total cost was Rs.1, 33,650.

Income returns:

As a result, the revenue for eight tons is $8000 \times 32 = \text{Rs } 2, 56,000$.

Profit = income minus total cost = Rs. 2, 56,000 minus Rs. 1, 33,650 = Rs. 1, 22,350.

TURMERIC:

The net income involved in 1 acre turmeric cultivation is: $\text{Rs } 101250 - \text{Rs } 43441 = \text{Rs } 57809$ some net profit in one acre turmeric field is Rd 57809.

PAPAYA:

Pappy plantation as a winter crop with mango and pappy as cultivated with vegetables gives more profits to farmers cultivate inter cultivating crops.in 6 months of period vegetables gives more profits to farmers.

Papaya fruits harvest in 10 months after cultivation.

Papaya plant fruits produce entire year.

Papaya fruits produce near 100 tons per hectare.

Papaya plants life 2 to 3 years only

Papaya plant produces maximum 27 tons of fruits in 1 acre around 24494kg.

Market cost of papaya fruit Rs.20 per kg.

Profit of papaya fruits from 1 acre: Rs.489880.00.

3Ginger cultivation is profitable:

Seedlings cost Rs. 35, 000 per acre.

Fertilizers cost Rs. 5,000 per acre.

Fees for irrigation: Rs.8, 000 per acre

Charges for plant protection: Rs. 3,000 per acre

Charges for labor: Rs.3,500 per acre

Fees for transportation: Rs.1, 500

Charges for miscellaneous items: Rs.1, 000

10% of the total cost: Rs.12,150

The total cost was Rs.1, 33,650.

Income returns:

So, income for 8 tones = $8000 \times 32 = \text{Rs } 2, 56,000$.

Profit = income –total cost = Rs. 2, 56,000-Rs.1, 33,650 =Rs.1, 22,350.

4. To find out whether marginal farmers are getting agriculture credit from institutional finance and non-institutional finance.

Most of the marginal farmers cultivating in small pieces of land.lack of irrigation facility and dry land Out of 325 cultivators 299 farmers are cultivating in between 0-2.5 acres of agriculture land.

Farmers cultivating in between 0-2.5 acres marginal farmers are 299 out of 299 cultivators 145 having less than one acre of land.145 (48.50%) cultivators are not eligible for institutional credits. 154 marginal farmers are eligible for institutional credit

Total number of 145 farmers getting non-instructional agricultural credits at rate of interest 3%, 5% per month. 145 farmers cultivating in small pieces of land less than 1 acre. From 0.1 acre to 0.38 acres farmers cultivating. 1 acre equals to 40 square yards.

Farmers cultivating different types of crops:

Vegetables: Tomato, Bhendi, Coriander, Colocasia, Green chili, Onion, Brinjal and Spinach.

Spices: Ginger, Turmeric and ajwain

Fruits: Mango, Banana, Papaya, sweet orange, guava, dragon fruit, sapota and acid lime

Agro forest plantation crop: subabul

Boder plantation crop: Teak (bund)

***State and central government financial supporting schemes are financially helpful to vegetables and spices cultivators.**

Non- institutions:

Due to loan amount not sufficient mostly farmers go for landing to money leaders , relatives, friends, house relations for loans, hand loans 3%, 5%,10%. Interest.

Institutions Banks:

1. State bank of India (S.B.I).

Commercial banks loan amount Rs 1, 0000.

S.B.I. Rate of interest 7.25% per annum

2. Corporation Bank

Loan amount Rs 70,000 per acre.

2. Corporation Bank

Loan amount Rs 70,000 per acre.

Rate of interest 7.25% per annum

Agricultural loan:

Agriculture loan, or popularly called krishi loan, is a loan facility offered to people employed in the agriculture sector to carry out agricultural activities such as purchasing agricultural land, purchasing farming and irrigation machinery, and for purchasing fertilizers and seeds, among others. The fund attained through agriculture crop loans can be used for harvesting, ploughing, sowing, wedding, or transportation of agricultural products. The loan is offered by lending institutions such as Banks, financing companies or Government funded agencies.

Financial Assistance: with regard to securing loan from banks, not all farmers are able to access to institutional credit, particularly those in rain fed areas, who are mostly dependent on money lenders even today. About 70% of the farmers unable to get banks finance as per a survey report of ICRISAT, Hyderabad.

5. To find out whether small farmers are getting agriculture credit from institutional finance and non- institutional finance.

Total numbers of Farmers 325. Out of 325 cultivators 23 cultivators are Small farmers cultivating in between 2.5 to 5 acres of agriculture land. 23 cultivators are eligible for agriculture credit.

Spices: Ginger and Turmeric

Fruits: Mango and Banana

Total number of 23 farmers getting instructional agricultural credits at rate of interest 7.5% per annum. 23 farmers cultivating. From 2.5 acre to 5 acres farmers cultivating.

Total number of small farmers 23. Out of 23 farmers 7 are ginger cultivators, 4 are turmeric cultivators. Ginger cultivation more expansive farmers need more agriculture credit. As Per government agriculture land valuation in this Ranjole village 1 lakh per acre. Institutional sanction as per government land valuation agriculture credit 1 lakh per acre. Input cost per ginger cultivation Rs.1, 33,650. Farmer getting Rs.40000 thousand from non- institutional credits.

Turmeric cultivation: Total numbers of turmeric cultivators are 4. Per acre turmeric cultivation Rs.43, 441.institutional credit is sufficient for turmeric cultivation.

Institutions:

1. State bank of India (S.B.I).

2. Corporation Bank

Loan amount Rs 1, 00,000 per acre

Banks may not insist on repayment in case of crop failure or natural calamities: in sometimes government helps

Commercial banks loan amount Rs 1, 0000.

Private loans amount Rs 20,000. To 50,000

S.B.I. Rate of interest 7.25% per annum

Non- institutions:

Due to loan amount not sufficient mostly farmers go for landing to money leaders , relatives, friends, house relations for loans, hand loans 3%, 5%,10%. Interest.

Private rate of interest 2%, 3%, 5% per month

Total 22 different crops cultivating, 22 crops cost of cultivation and profit:

1, Vegetables: Tomato, Bhendi, Coriander, Colocasia, Green chilli, Onion, Brinjal and Spinach. Total number of marginal farmers are 39 cultivating, all the 39 cultivators are marginal farmers cultivating in between 0-2.5 acres out of 39 cultivators total number of Tomato total number of cultivators are 11,Bhendi total number of cultivators are 12,Coriander total number of cultivator are 1,Colocasia total number of cultivators are 7,Green chili total number of farmers cultivators are 4,Onion total number of cultivator are 1, Brinjal total number of cultivators are 2 Spinach total number of cultivator are 1.

Tomato:

Tomato cultivation in one acre expenditure: Rs.30150.

Tomato cultivating farmers get from one acre 10 tones or 10000 kgs per acre.

The market of tomato depends on production, in season the market cost of 1 kg tomato is Rs.15 per kg.

$\text{Rs.15} \times 10000 \text{ kg} = \text{Rs.150000}.$

The total profits from 1 acre tomato cultivation is Rs.150000.

$\text{Profit} = \text{Rs.150000} - \text{Rs.30150} = \text{Rs.119850}.$

Bhendi:

The total cost incurred in 1 acre bhendi cultivation: Rs.23350-land cost Rs.5000=Rs.18350.

The total bhendi cost of cultivation in one acre expenditure: Rs.18350

The market cost of bhendi Rs.45 per kg. Bhendi cultivation it gives in 1st and 2nd years of harvest upto 90 kg, bhendi in 3rd year it produces kg per one acre

The total harvesting yield of one-acre bhendi farming is 540 kg or 5.4q/acre.

Total benefit in 1 acre bhendi cultivation: $540 \text{ kg} \times \text{Rs.45 per kg} = \text{Rs.24300}.$

Net profit in 1 acre bhendi farming: $\text{Rs.24300} - 18250 = \text{Rs.5950}.$

Farmer gets from one acre of bhendi cultivation: Rs.5950 .

Coriander:

Total cost of expenditure: Rs.23500.

One acre of coriander cultivation yields 2000 kg,

The market price of 1 kg coriander is Rs.130 per kg.

$2000 \text{ kg} \times \text{Rs.130} = \text{Rs.260000}.$

Colocasia:

Telangana more number of farmers cultivates colocasia after cultivation of colocasia harvest in one year. Colocasia can not be stored long time if it is stored more than one month it will be spoiled.colocasia yields in one year 5 tons per heacter.

Green chilli:

Green chilli cultivation in one acre:

Total cost of expenditure Rs.20000.

Total cost of profit Rs. 90000

$\text{Rs.}90000 - 20000 = 70000$.

Farmer cultivating green chili in 1 acre can earn Rs.70000. in 5 months of cultivation of green chili.

Onion:

Onion cultivation in Telangana state in only in few districts cultivate only few farmers cultivate onions.

Total profits from 1 acre of onion cultivation: Rs.171150.

Total expenditure on 1 acre onion cultivation: Rs.36850.

Total profits from 1 acre onion cultivation: Rs.208000 in 4 to 5 months.

Total net profits from 1 acre onion cultivation: $\text{Rs.}208000 - \text{Rs.}36850 = \text{Rs.}171150$.

Brinjal:

Total cost of cultivation cost of Brinjal in 1 acre: Rs. 40000.

Profit of Brinjal farming or income returns in 1 acre: Rs.200000.

Net profit from 1 acre Brinjal farming is: $200000 - 40000 = \text{Rs.}160000$.

Spinach:

Spinach is a leafy vegetable can be grown in backyards as well as open fields commercially.

Cost of cultivation Rs.356.

Commercial spinach is good profitable farming.

2, Spices: Ginger, Turmeric and Ajwain (vama)

Total number of Small farmers are cultivating 2.5-5 acres are 12 cultivators getting from the instructional loans. Out of 12 cultivators 8 are ginger cultivators and 4 are turmeric cultivators and Ajwain cultivators are zero.

* Government should finances the framers through financial institutions. Increase number of financial institutions.

*Government should establish spices board and the national horticulture to the farmers at the time of cultivation.

Turmeric: The net income involved in 1 acre turmeric cultivation is: Rs101250-Rs 43441=Rs 57809 some net profit in one acre turmeric field is Rd 57809.

AJWAN:

In Telangana state ajwan crop becoming very important in recent years ajwain crop is suitable to cultivate in all districts of Telangana state ajwain has good market demand and very few cultivation problames to ajwain farmers.

Profit: price of 1 Kg of ajwain seeds Rs.130 per Kg

Ajwain seeds1quintal price: $130 \times 100 = \text{Rs.}13000$

Income for the average yield of ajwain seeds of 5 quintals.

$5 \times 13000 = \text{Rs.}65000$

Profit=income-expenditure=Rs.65000-Rs.34100=Rs.30900.

Profit of 1 acre ajwain Rs.30900.

3, Fruits: Mango, Papaya, Banana, Guava, Dragon fruit, Sweet orange, sapota and acid lime.

Total number of marginal farmers 87 cultivating in between 0-2.5 acres. Out of 87 farmers, total number of Mango cultivators are 74 out of 74 cultivators are 65 are marginal farmers 7 are small farmers needs institutional and non-instructional agricultural credits. total number of Papaya cultivators 7. total 7 are marginal farmers papaya is also an inter cultivation crop needs institutional and non-instructional agricultural credits, total number of Banana cultivators are 10 out of 7 are marginal farmers 3 are small farmers needs institutional and non-intuitional agricultural credits, total number of Guava cultivators 2 needs institutional and non-intuitional agricultural credits, total number of Dragon fruit cultivator 1 marginal farmer needs institutional agricultural credit, total number of sweet orange cultivators are 4 out of 4 cultivators. 2 are marginal farmers and 2 are small farmers needs institutional and non-intuitional agricultural credits, total number of sapota cultivator 1 marginal farmer needs agriculture credits and total number of acid lime cultivators 2 marginal farmers needs institutional and non-intuitional agricultural credits.

Total number of Small farmers are cultivating 2.5-5 acres are 34 cultivators barrow from the intuitional loans. Out of 34 cultivators Mango 29 farmers are cultivating, Banana 3 farmers are cultivating, Sweet orange 2 farmers are cultivating

Mango:

The net profit from 1 – acre Mango farming. The net income involved in I acre Mango cultivation starts from 5Th years is: The net income = gross returns – maintenance cost. **Rs.1, 50,000 – Rs.31, 250 =Rs1, 18,750** .So, net profit in cultivation of one acre Mango field is Rs.1, 18,750

Papaya:

Papaya cultivation per 1 acre of harvests 30 tons of papaya fruits

One acre papaya plants harvest 27 tons of papaya fruits approximately 27,000kgs of papaya fruits.

The market cost of 1 kg of papaya fruit is nearly Rs.20. the rate Rs.20 per kg: 27,000 kgs of papaya fruits. Rs 4, 89,880.00.

Banana:

In Telangana state for banana cultivation horticulture board provides 100 per cent subside loans and government of India with insurance companies on banana cultivation provides upto Rs.1 lakh rupees by paying a premium of Rs.5500 for banana farming.

The total expenditure on banana cultivation per 1 acre: Rs. 65,610.00.

In 1 acre 320 banana plants can be cultivated

One banana plant yields one bunch of bananas, yielding 100 fruits from 320 plants. Rs.1,44,000.00.

The overall profit from banana growing on an acre is Rs.144000.00 less Rs.65610.00, which is Rs.78390.00.

Guava:

The yield of guava plant starts in the second year and gives around: 20-24 kg of fruits, the yield of guava fruits increases after second year of harvesting .

So the total yield from the farm is: 3 tonnes or 2700 kg.

Market Cost of 1 kg guava fruits: Rs.40-100.

Expenditure on insecticides and pesticides: Rs.600 per kg.

Total income on the guava fruits after two years of harvesting: Rs.270000.

Total profits after two years of harvesting of guava plant: Rs.68800.

Dragon fruit: The cost incurred is Rs.510000-Rs.410000=Rs.100000 for the first year only.

Sweet orange:

Sweet orange yield starts from 3rd or 4th year from the plantation.

Fertilizers, manure, labour, and irrigation will all be required in the coming years, with costs ranging from \$30,000 to \$50,000 each year. After 3 to 4 years of cultivation, the juicy orange fruit is harvested.

Market Cost of sweet orange 2750kgs of oranges: Rs.220000.

A sweet orange profit starts from 4th year of plantation.

Fruit output rises year after year, eventually reaching 30 kilograms per plant the following year.

For (275x30) kgs of delicious orange, the profit for the fifth year is Rs 80x8250=Rs 660000.

Profit generates sweet orange-the expenditure on the investment on sweet orange).

(Rs 220000-Rs61000)=Rs 159000.

Sapota:

Sapota yield starts from fifth year onwards it produces 100 quantals per acre.

Sales price of sapota fruit in market: Rs 50 per kg.

The income starts to the farmer from the 5th year onwards: total yield x price per unit).

(100 x100 x 50) =Rs.500000.

The total income – total expenditure

(Rs.500000-Rs.101000)=Rs.399000.

Acid lime: acid lime is appreciable not only for its beautiful appearance and pleasing flavour but also for its excellent fruit qualities. Limes are used as fresh fruit, preparation of pickles and beverages; lime is a good antioxidant property.

The expenditure on cost of cultivation of acid lime: Rs.37000 per hectare in the first year, and cost for maintenance in the second year and subsequent years would be about Rs.15000 per hectare.

4, Agro forest plantation crop: Malabar Veppa cultivator 1 and Subabul cultivator 1. Agriculture land.

Subabul:

The yield subabul is like 30 tonnes 1 per acre every 3 years,

Profit would be around Rs.1 lakh per acre in 3 years'

The rates of subabul that is been calculated between Rs.3000 per ton.

Malabar vepa (MellaDubia): Advantages for farmers the price of wood per ton is Rs.4000-5000/- and minimum gross revenue would be Rs.120000/- (i.e Rs.4000x30) per acre annually with harvesting of 45% of trees.

5, Boder plantation crop: Teak (Bund) number of cultivators 2.

Teak:

Telangana state teakwood plantation and teakwood more profitable, teakwood used in various constrictions like offices, houses schools collages intuitions. Worldwide teakwood has more market demand

Cost of one plant is Rs.79: approximately 500 plants in one acre Rs.2500 percube/feetx12cubic feet from one tree=Rs.30000 from one tree in 10 years. Rs.30000x500 plant in one acre=150,00000/- 1 crore fifty lakh.

Total numbers of marginal farmers are 299 out of 299 farmers total number of farmers cultivating less than one acre of land are 145 (44.61%), cultivators are not eligible for bank loans. Farmer's barrow from non-institutional credits at high interest rates.

Ranjole village: Total number of farmers are 325.out of 325 as per village agriculture revenue records 299 are marginal farmers, 23 are small farmers, 2 are medium farmers and 1 is large farmer.

Total 325 farmers cultivating 22 different types of crops. Mangos cultivators are cultivating inter cultivating crops. Vegetables, Spices and Fruits.

Vegetables: tomato, bhendi, brinjial, green chilli, colocosia, onion, spinach and coriander

Spices: ginger, turmeric and ajwain.

Fruits: mango, papaya, banana, dragon fruit, guava,sweetorange,sapota and acid lima.

Two major crops are cultivation Ginger 161 and Mango 74.more numbers of mango producers are shifting to ginger due less incomes and more loss in mango cultivation.

Total 22 different crops are cultivating out of 22 crops: vegetable cultivators having more than one acre and fruits cultivators' having more than one acre are eligible for banks agriculture loans. Less than one acre cultivators getting from non-institution loans.

Agro forest plantation crops: subabule (1) cultivating less than 1 acre and Malabar in 1 acre (1).

Border plantation crop: teak (2) cultivating in less than one acre.

Telangana Agriculture:

Rain fed agriculture in Telangana is significant and support for spreading crops which consume less water, practices which reduces energy and chemical use is important. Instead government boosts about the increasing area under paddy cultivation even during Rabi and building dams as the major solution for the crisis among the farming community. The ecological cost of these dams (as many of them are lift irrigation based), the resultant change in the cropping patterns and the economic burden at the state level due to loans and reducing allocation to other areas which needs priority are not in the radar of the state government. This is a matter of serious concern and may have significant impacts on farming community and specially small and marginal farmers who form about 85%.

As the risk in agriculture is increasing and crop failures were increasing, the state should take two-pronged approach. One to reduce the risk by moving towards more sustainable models of agriculture. Telangana is has one of the highest cost of production across crops and as a result prices are not remunerative for farmers. The farmers have to move towards reducing their costs by reducing the fertilizer and pesticide use and moving towards organic/natural farming models.

Agriculture wage in Telangana for women:

Telangana Women endure an equal, if not greater, share of the burden of agricultural hardship. Women make up 36 percent of cultivators and 57 percent of labour in Telangana, but they are not recorded as farmers and do not receive the institutional assistance that comes with it. They get uneven salaries for men and women, with males earning Rs. 300 per day and women earning Rs. 200 per day as agricultural labourers.

INSTITUTIONS (BANKS)

1. Reduction or reduce interest rate
2. No more branches available (increase no of bank branches)
3. Want more subsidies on crop loans
4. No paper work, no land no loan (tenant farmer) need of pass book.

1. Main illiteracy 2.no banks at village level 3.more no of times visits 4.Inadequate funds.

INSTITUTIONS BANKS:

1. State bank of India (S.B.I).
2. Corporation Bank.

Loan amount Rs 70,000 per acre

Banks may not insist on repayment in case of crop failure or natural calamities: in sometimes government helps

Banks accept even gold as collateral for sanction loan and it is always safe to keep (no)

Commercial banks loan amount Rs 1, 0000.

Private loans amount Rs 20,000. To 50,000

NON- INSTITUTIONS:

Due to loan amount not sufficient mostly farmers go for landing to money leaders, relatives, friends, house relations for loans, hand loans 3%Interest.

Private loans:

1. Timely available
2. No security needed
3. May be there is a devise by money lenders due to illiteracy

Banks agriculture loans:

1. Less than 40 guntals land banks not giving loan, More 1 acre are more than 1 acre banks giving loan.

40 guntals = 1 acre. (1 gunta =40 square yard)

2. Crop insurance (yes)

3. Not availed

4. Weather the loan amount is rescheduled (yes)

For less than one acre banks sanction loans or rescheduled.

More than two acres banks not sanction loans

Whether the loan amount was sufficient (no)

5. For 1 acre loan amount is sufficient.

More than 2 acres loan amount is not sufficient

Non institutional loans:

6. Others, some relatives, others (traders)

Member of (SHG) self-help group (yes)

Mahila Sangam: without interest loan given monthly instalments must pay.

All small and marginal farmers are members of mahila sangam in villages

Government has to value the agriculture land then only farmer gets bank loan.

Farmers having less than 40 guntals agricultural land (40 guntals = 1 acre).1 gunta=40 square feet. Agriculture land they don't get bank loans. Farmers have to depend on money leaders for agriculture loans. Money lender charges more interest compared to banks.

Government has to take some incentives to support financial small and marginal farmers provide banking facilities at village level provide sufficient loan amount for crop cultivation for low interest.

A New Worrisome Report Released By The Government-Owned Nabard Claims That 79 Per Cent Of Telangana Farmers Are Struggling To Repay Their Loans On Time.

Every successive government has implemented scheme after scheme “to save” the debt-ridden farmer, yet none of them seem to have made any impact. A new worrisome report released by the government-owned NABARD claims that 79 per cent of Telangana farmers are struggling to repay their loans on time, spread across 48 villages in six districts. September 2018 No wonder then that the state ranks high on farmers suicides.

The debt per household in Telangana ranges between Rs 80,000-Rs1, 20,000, with an average outstanding debt of Rs 91,407. While debt by itself is a problem of economic insecurity for these farmers, the source of debt will decide the intensity. For instance, debts pending with private lenders and loan sharks carry far more threats compared to ones taken from banks or micro-finance institutions.

In Telangana, according to the survey, 40 % of the farmers agricultural loans taken from the non-institutional sources that is, loan sharks and private lenders, or at times from friends and family. Also, the loans are not incurred on farm input like manure or fertilizers but mostly on personal needs like health expenses and domestic needs.

Experts say the trend indicates that income generated from agriculture is insufficient to fulfill their all domestic needs of those engaged in the activity. While the governments have doled out various schemes, waived off loans several times, the inability to ensure value for the yield has stunted the economic growth of farmers. The growth in their income was drastically disproportionate to inflation.

CONCLUSION:

NABARD has realized in ALL India Financial Inclusion Survey report in August 2018, the average monthly agriculture income of the farmer in India is Rs.8, 931 a month,

Farmers with small plots of land (less than five acres) usually lack cash at the start of the farming season.

The long sanctioning process of cash loans in state banks (where the farmers usually already have other loans) forces them to borrow money from private money lenders at very high interest rates. In turn, to pay back the loan as soon as possible, farmers tend to focus entirely on quick cash crops.

Crops cultivating farmers and percentage:

1, Total no of farmers Ginger 161(49.53%), 2, Total no of farmers Mango 74 (22.76%), 3, Total no of farmers Tomato 11 (3.38%) 4, Total no of farmers Bhendi (bheda kaya) 12 (3.69%), 5, Total no of farmers coriander (kotti meera) 01(0.30%), 6, Total no of farmers Teak (bund) 02 (0.61%), 7, Total no of farmers Turmeric 14 (4.30%), 8, Total no of farmers Banana 10(3.07%), 9, Total no of farmers Colocasia (Chama gadda) 7 (2.15%), 10, Total no of farmers green chilli(pacchi mirchi) 2 (1.23%), 11, Total no of farmers Guava 2 (0.61%), 12, Total no of farmers Dragon fruit 1 (0.30%), 13, Total no of farmers Papaya 7 (2.15%), 14, Total no of farmers Malabar veppa 1(0.30%), 15, Total no of farmers Sweet orange 4 (1.23%), 16, Total no of farmers Onion 1 (0.30%), 17, Total no of farmers Brinjal 2 (0.361%), 18, Total no of farmers Subabu 1 (0.30%), 19, Total no of farmers spinach 1 (0.30%), 20, Total no of farmers Sapota 1 (0.30%), 21, Total no of farmers Acid lima 2 (0.61%), 22, Total no of farmers Ajwan (vama) 6 (1.84%).

MANGO:

Mango is a dry-land crop that only requires irrigation during the summer months of March to May, at intervals of 15 to 20 days, to ensure fruit retention and maturation. Mango trees demand somewhat deeper soils with adequate drainage.

Agriculture on arid regions relied on rainwater to survive. On these types of soils, which are not ideal for food grain or commercial crops, plantations for timber (teakwood) and fibre can be produced.

Intercultivating or multiple crop cultivate along with mango it gives more profits:

1, Vegetables: Tomato, Bhendi, Coriander, Colocasia, Green chilli, Brinjal and Spinach.

2, Spices: Ginger and Turmeric

3, Fruits: papaya

Ginger cultivation: Ginger cultivation needs more expenditure for cultivation Rs. 1, 33, 650, institutions sanctions 1 lakh per acre not sufficient for cultivation. For extra money farmer getting from non-institutional agriculture credit.

There is no financial support from the Government Institutions like Spice Board and the National Horticultural Board to the farmers.

***Government should finances the framers through financial institutions. Increase number of financial institutions.**

***Government should establish spices board and the national horticulture to the farmers**

Total number of marginal farmers 299.out of 299 marginal farmers cultivating from 0-2.5 acres
145 farmers cultivating less than one acre

Marginal farmers cultivating less than one acre are not eligible for institutional agricultural credits (in small plots of land from 1 to 38 square yards of land) getting non-intuitional agriculture credits for high interest rate up to 5% per month.

Marginal farmers cultivating less than one acre institutions provide agriculture credit according to crops cost of cultivation.

Marginal farmers cultivating from 1acre to 2.5 acres farmers getting institutional agricultural credits at Rate of interest 7.25% per annum ginger cultivators cultivating from 1 acre to 2.5 acres institutional agriculture credit amount is not sufficient. Farmers getting from non-institutional agriculture credit extra cost of cultivation. Institutions increase loan amount for ginger cultivators as per acre cost of cultivation.

Total numbers of Small farmers are 23.cultivating from 2.5 to 5 acres getting institutional agricultural credits Rate of interest 7.25% per annum out of 23 small farmers gingers cultivators are 8 institutional agriculture credit is not sufficient for extra cost of cultivation farmers getting from non- institutional credit high interest rate up to 5% per month. Institutions increase

agricultural credit amount for both marginal and small farmers. Each crop cost of cultivation institutions sanction agriculture credit

In Ranjole village total number cultivators' 325. cultivationg 22 types of crops two are the major crops Ginger and Mango.

In Ranjole village Mango cultivators shifting to ginger cultivation for more profits.

Total number of ginger cultivators in Ranjole village 161.out of 325 cultivators.

For ginger cultivation farmers need financial support for the cultivation. Banks providing loans according to farmers land value the amount is not sufficient for cultivation. Banks should consider crop as a value for sanction loan.

Ginger cultivation more profitable to farmers.

In Ranjole village less than 1 acre farmers facing agriculture loan problems from the banks as per government rules farmers havening 1 acre are more than one acre eligible for agriculture loans.

Farmers havening more than one acre of agriculture land are getting government schemes and subsidies and other facilities.

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Suyash tiwari September 30, 2019 report on review of agricultural credit prs legislative research institute for policy research studies 3rd floor, gandharva mahavidyalaya 212, deen dayal upadhyaya marg new Delhi – 110002

QUESTIONNAIR

INSTUTIONAL CREDITS TO AGRICULTURE: PROBLAMES AND PROSPECTS

I. PROFILE OF THE FARMER/BORROWER

1. Name of the farmer/borrower
2. H.no.
3. Village
4. Mandal
5. District
6. Social status: SC, ST, BC, OC
7. Are you (borrower) literate or illiterate? 1=literate: 2=illiterate
8. Land details of the farmer
 - (a) Specify how much land farmer possess (in acres).....
 - (b) The category which the farmer belongs
 - (i) 0to < 2.5 acres (marginal farmers) ()
 - (ii) 2.5 to < 5 acres (small farmers) ()
 - (iii) 5 to < 10 acres (medium farmers) ()
 - (iv) 10 acres and above (large farmers) ()
 - (c)How much land is cultivated (in acres).....
 - (d) How much land leased in (in acres)
 - (e) Rent paid on leased in land (should be included in the cost of cultivation)
9. What is the value of the total assets of the farmer (asset holdings) (in Rs)

S.no	Asset	Value of the Assets (in Rs)
1	House	
2	Land	
3	Fixed Deposits	
4	Others	
	Total value of the Assets	
10. How much land is irrigated (in acres?)
11. How much land is un-irrigated (in acres?)

12. If land is irrigated, then specify the code of the source:

Canals-01 Bore wells-02 others-03

13. What are the crops cultivated in the land, specify the code/cods:

Paddy-01, Ragi-02, Bajra-03, Jowar-04, Sugar cane-05, Pulses-06, Ground net-07,
Seasum-08, Nigar-09, Chillies-10, Cotton-11, Others-12

14. What is the expenditure of crop production in the total crop land?

15. What is the expenditure on fertilizers and pesticides any other, Please specify.....etc?

II. AGRICULTURAL LOAN PARTICULARS

1. How much amount is required for agriculture purpose?
2. Have you applied loan to financial institutions during last two years? [Yes-1/No-2]
3. If yes furnish the following details

LATEST TWO LOAN DETAILS OF THE INSTITUTIONAL SOURCES

Name of agency	Amount outstanding	Purpose of the loan	Loan issued	Date of the sanction of loan	Term of the loan	Rate of interest per annum	Amount repaid	Due
1.Coops								
2.CBs								
3.RRBs								

Note: If the farmer has taken the loan from more than one agency/institution, then specify the details of the loan (refer questions 9 to 11 and furnish the information)

4. Whether the loan is rescheduled or not?.....[Yes-1/No-2]

5. Whether the loan amount was sufficient?.....[Yes-1/No-2]

6. If not sufficient, have you taken from any other source (Non-institutional source)?..... [Yes-1/No-2]

7. If so specify the source of taken the loan.....

Money lenders-01, Relatives/Friends-02, Shop Keepers-03, Traders-04, Others-05

8. If Yes specify the following details (specify the loan details separately for more than one non institutional source)

source	Purpose of the loan	Loan amount taken	Term of the loan	Rate of interest per annum
1				
2				

1. Have you taken the loan from more than one agency (institutional source)?.....[Yes-1/No-2]

2. If yes specify the institution from which source you have taken the loan

3. If so give all the details of the Question 3 (Fill up the table in Quotation 3)

4. Whether you have the crop insurance or not?[Yes-1/No-2]

5. Have you ever applied the crop insurance?.....[Yes-1/No-2]

6. If so is crop insurance amount sufficient to meet at least to repay the loans those borrowed..... [Yes-1/No-2]

7. If you prefer the institutional source for agriculture loans, then specify the reasons.

1. Less rate of interest

2. Bank may not insist on repayment in case of crop failure or natural calamities

3. Sometimes government may waive off loans

4. Bank accept even gold as collateral for sanction loan, and it is always safe to keep gold as collateral for loan in banks only

5. Easy procedures for sanctioning the loans

6. Less transaction costs

7. Timely availability of the quantum of loan

8. Any other, Please specify.....

8. If you face any problems in availing the credit from the institutions, then specify the reasons

1. Complicated procedures

2. Bribe to agents, officials

3. Illiteracy

4. No bank at village level

5. No loans without security/surety/pattadar pass book is not in the borrowers name/leased in land
 6. High transaction costs
 7. Large number of visits to sanction of the loan
 8. Inadequate quantity of loan
 9. Any other, Please specify.....
9. If you prefer the non-institutional sources, specify the reasons.
1. Easy procedures
 2. No security/surety
 3. Low credit supply of the banks
 4. No transaction costs
 5. No bribe
 6. Timely availability of loan
 7. No limit on the quantity of loan
 8. Any other, Please specify.....
10. Suggestions of farmers for improving the performance of the institutional credit delivery in villages of Telangana districts.
1. Simplified loan procedure
 2. Immediate sanction of the loan
 3. Reducethe rate of interest
 4. Increase the quantity of the credit
 5. Bank branches in all the villages
 6. More subsidies to marginal and small farmers
 7. Reduce the paper work
 8. Any other, Please specify.....

11. Loan Particulars of Farmer

s.no	Loan particulars	Amount
1	Loan amount required	
2	Sanction loan amount from institutional source	
3	Borrowed amount from other sources	

ADDITIONAL INFORMATION

Rythu bandhu schame:

Rythu Bima:

Crop Insurance:

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HISTORY OF FINANCING AGRICULTURE IN INDIA: INSTITUTIONAL AGRICULTURAL CREDIT - AGENCY-WISE SHARE

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ABSTRACT: - Indian agriculture plays an important role in the development of the country is the main. Source of livelihood of majority of Indian population .The key problem of agriculture, carried on in rural areas mostly by poor, small and marginal farmers and weaker section of the society. Credit is one of the critical inputs for agricultural development. It capitalizes farmers to undertake new investments and adopt new technologies, production and marketing activities. Also agricultural credit is an important input for improving agricultural production and productivity and mitigating farmer distress. Bank credit is available to the farmers in the form of short-term credit for financing crop production programs and in the form of medium-term/long-term credit for financing capital investment in agriculture and allied activities.

Keywords: agricultural credits, ,

INTRODUCTION: Credit, an old French proverb says, "Support the farmer as the hangman's rope supports the hanged." Similarly, Darling's statements (RCS, 1991), states that " the Indian peasant is born in debt, lives in debt and dies in debt," still remains true for the great majority of the peasant communities in rural areas. The rural credit structure can be classified into the Institutional and Non-institutional credit lending agencies. The structure of non-institutional credit delivery system includes moneylenders, agricultural-cum-moneylenders, traders and commission agents, agro-shop dealers, friends and relatives, who charge exorbitant rate of interest and tend to keep their eyes on grabbing the assets of borrowers.

The demand for credit further increase due to emergence of new areas of investment in agriculture such as adoption of high yielding varieties of seeds, early maturing, disease resistant varieties of food as well as non-food crops, adoption of latest technology requiring improved irrigation systems and other machinery establishing commercial farms of dairy, poultry, piggy, fishery, etc., equipped with adequate linkages for processing, packaging, transport, marketing etc., tapping commercial avenues in the areas of horticultural plantations, floricultural, equipped with adequate linkages for processing, packaging, transport, marketing etc, tapping commercial avenues in the areas of horticultural plantations, floricultural, aquaculture, bee-keeping,, sericulture, mushroom cultivation, developing capital intensive, hi-tech, non-conventional, export oriented project in the field of bio-technology, tissue culture, embryo-transfer technology, plastic culture, green house plantation of aromatic and medical plants etc.

HISTORY OF FINANCING AGRICULTURE IN INDIA: Money lenders were the only source of credit to agriculture till 1935. They used to charge unduly high rates of interest and follow serious practices while giving loans and recovering them. As a result, farmers were heavily burdened with debts and many of them perpetuated debts. With the passing of Reserve Bank of India Act 1934

Till 14 major commercial banks were nationalized in 1969, co-operative banks were the main institutional agencies providing finance to agriculture. After nationalization, it was made mandatory for these banks to provide finance to agriculture as a priority sector. These banks undertook special programs of branch expansion and created a network of banking services throughout the country and started financing agriculture on large scale. Thus agriculture credit acquired multi-agency dimension. Development and adoption of new technologies and availability of finance go hand in hand. A large number of formal institutional agencies like Co-operatives, Regional Rural Banks (RRBs), Scheduled Commercial Banks (SCBs), Non-Banking Financial Institutions (NBFI), and Self-help Groups (SHGs), etc. are involved in meeting the short- and long-term needs of the farmers. Several initiatives have been taken to strengthen the institutional mechanism of rural credit system. In bringing "Green Revolution", "White Revolution" and "Yellow Revolution" finance has played a crucial role. In the first half of 2000s, there has been a steep rise in the share of commercial banks in total agricultural credit. Starting 1990s, the share of short-term agricultural credit in total agricultural credit has been going up. Newer credit delivery systems in the form of Kisan Credit Card (KCC) were introduced to provide easy access to credit.

NEED FOR AGRICULTURAL FINANCE: The financial need of the Indian farmer can be broadly classified into two categories a) Productive Needs Productive needs refer to need of finance for purchase of fertilizers and implements and also digging and deepening of wells. b) Unproductive Needs The farmer needs credit for purposes other than agriculture, too. They are for celebration of marriages, birth and death.

The adoption of modern technology, which is capital intensive, has commercialized agricultural production in India. Besides, the farmer's income is seasonal while his working expenses are spread over time. In addition, farmer's inadequate savings require the uses of more credit to meet the increasing capital requirements. Furthermore, credit is a unique resource, since it provides the opportunity to use additional inputs and capital items now and to pay for them from future earnings. In fact, credit has both "static" and "dynamic" characters. Because of the high risk inherent in traditional farming activity, the prevalence of high interest rates was the norm rather than an exception, and the concomitant exploitation and misery that often resulted. Development of rural credit systems has therefore, been found to be intrinsically very difficult and, as we will see, an issue of continuing official concern for over a century

1) Money Lenders There are two types of money lenders in rural areas. There are rich farmers or landlords who combine farming with money-lending. There are also professional money lenders whose only occupation or profession is to lend money. The cultivators depend upon the money-lenders for their requirements of cash. However, there are many reasons for the preponderance of the village money-lenders in rural area even now.

I. The money lender freely supplies credit for productive and non-productive propose, and also for short-term and long-term requirements the farmers. II. He is easily accessible and maintains a close and personal contact with the borrowers often having relations with family extending over generations. III. Their methods of business are simple and elastic.

2) Landlord and others Traders and commission agent supply funds to farmers for productive purpose much before the crops mature. They force the framers to sell their produce at low price and they charge a heavy commission for themselves. Thus source of finance is particularly important in the case of cash crop like cotton, groundnut, tobacco, and in the case of fruit of chard like mangoes. Traders and commission agent may be bracketed with money lenders, as their lending to farmers is also at exorbitant rates and has other undesirable effects too.

Institutional Agricultural Credit - Agency-wise Share

In order to understand the performance of different agencies in lending to agriculture sector, a comparative analysis has been done showing their share in total agricultural & allied credit outstanding as on March 31, 2017.

Scheduled commercial banks contributed the major share (78 – 80 per cent) in agricultural and allied credit. Co-operative institutions also play a significant role in extending agricultural credit and the share of all co-operative banks/institutions (i.e. StCBs, DCCBs and PACS put together) constituted 15-16 per cent. The RRBs contributed the remaining 5 per cent of the agricultural credit

The co-operative banking sector thrives either as three-tier or two-tier structure.

The three-tier structure includes StCB, DCCB and PACS, whereas in two-tier structure only StCB and PACS are present. In the three-tier structure, the lower level tiers, i.e. DCCB and PACS extend credit to individual borrowers using their own funds/deposits and claim refinance from the upper tier, i.e. PACS from DCCB/StCB and DCCB from StCB. In the two-tier structure, PACS provide credit to individual borrowers and claim refinance from StCBs also extend credit to the individuals through its branches across the state.

The SCBs are the leading institutions in providing agricultural credit in all the states. The RRBs have significant presence in some states, viz., Bihar (35 per cent), Telangana (15 per cent), Himachal Pradesh (10 per cent) and Uttar Pradesh (10 per cent). Cooperatives have played a significant role in Odisha (46 per cent), Goa (34 per cent), Maharashtra (31 per cent), Chhattisgarh (27 per cent), Madhya Pradesh (27 per cent), Gujarat (22 per cent) and Haryana (20 per cent) in providing agricultural credit. The high share of cooperative banks and RRBs in agricultural credit in these states is on account of their significant presence as compared to commercial bank branches in rural areas.

REVIEW OF LITERATURE:

Umadevi (2013) states that the institutional credit increases the purchasing power of the farmers and perhaps due to this there is an increase in the use of modern inputs in their

farming procedures. It acts as a moral boost to farmers in increasing the productivity which ultimately improves their overall economic growth. Hence it can be said that agricultural credit and agricultural development go by hand in hand. It also enunciated clearly that the advantages enjoyed through improved technology with the efforts of the cooperative bank for the beneficiaries in terms of high production, increased net returns and subsidiary incomes. The results further emphasised the need to enlighten the farmers about the superiority and profitability of improved technology through the extensive credit services. By and large the role of Credit Co-operatives is highly impressive and clearly exhibited in the socio-economic development gained by the beneficiaries.

Radhakrishnan (2015) states that increase in the target of agricultural credit from 8 lakh crores in 2014-15 to 8.5 lakh crores for the year 2015-16 is a healthy sign. But the credit along with other factors is to be strengthened for an overall development of the agricultural sector. The distress in agriculture is a distress of the country as a whole and therefore this phase needs an emergent attention. This adequate allocation of funds in agricultural sector is boosted, but implementation of best policies is needed.

Sakshi Sharma (2015) 'Priority Sector Lending and Situations of Agricultural Credit in India', states that the Interest Subvention Scheme introduced by the Government of India as an incentive to farmers for prompt repayment has not helped in improving the asset quality in the agricultural sector. The ratio of NPA in agricultural credit has been increasing steadily over the past few years. It also reveals that the recovery of agricultural advances is about 75 percent during the past few years and needs to be improved further.

Sudha Narayanan (2015) studies the productivity of agricultural credit in India. It indicates that the ability of credit to engineer growth in agricultural GDP is impeded by a problem of productivity and efficiency where the increase in input use adjustments in the pattern of input use are not yet translating in to higher agricultural GDP. Therefore credit seems to be an enabling input, but whose effectiveness is undermined by low productivity and technical efficiency.

Lavanya.T. (2016) agricultural indebtedness in Andhra Pradesh disclosed that all the farmers, revealed that adverse seasonal conditions such as delayed monsoon were the major reason for crop failure leading to indebtedness. It also revealed that; (i) about 96 percent of small, 87 percent of medium, 86 percent of large, and 91 percent of pooled farmers stated that high cost of cultivation was the reason for debt accumulation, (ii) all small farmers, 69 percent of medium, 34 percent of large, and 78 percent of pooled farmers revealed that dependence on private agencies was the major reason for indebtedness, and (iii) about 96 percent of small, 37 percent of medium, 42 percent of large, and 77 percent of pooled farmers felt that high rate of interest charged by private agencies was yet another major reason for indebtedness.

Praveen Kumar (2017) the present situation the increase in number and coverage of financial institutions in the country, the truth is that most of the farming community is still outside the frame work of these institutions. These institutions are also reluctant to provide credit to

small and marginal farmers. They are unwilling because of the lack of adequate resources and they fear that providing credit would further accumulate their non-performing assets.

Credit is broadly classified based on various criteria:

1. Based on time: This classification is based on the repayment period of the loan. It is Sub-divided in to 3 types

□ □ **Short-term loans:** These loans are to be repaid within a period of 6 to 18 months. All crop loans are said to be short-term loans, but the length of their payment period varies according to the duration of crop. The farmers require this type of credit to meet the expenses of the on-going agricultural operations on the farm like sowing, fertilizer application, plant protection measures, payment of wages to casual labourers etc. The borrower is supposed to repay the loan from the sale proceeds of the crops raised.

□ □ **Medium – term loans:** Here the repayment period varies from 18 months to 5 years. These loans are required by the farmers for bringing about some improvements on his farm by way of purchasing implements, electric motors, milch cattle, sheep and goat, etc. The relatively longer period of repayment of these loans is due to their partially-liquidating nature.

□ □ **Long – term loans:** These loans fall due for repayment over a long time ranging from 5 years to more than 20 years or even more. These loans together with medium term loans are called investment loans or term loans. These loans are meant for permanent improvements like levelling and reclamation of land, construction of farm buildings, purchase of tractors, raising of orchards, etc. Since these activities require large capital, a longer period is required to repay these loans due to their non - liquidating nature.

Short term credit: the Indian farmers require credit to meet their short term needs viz. purchasing seeds, fertilizers, paying wages to hired workers etc. for a period of less than 15 months. Such loans are generally repaid after harvest. Medium term credits are normally larger in size than short term credits

Lesser attention of poor farmers: Rural credit agencies and its schemes have failed to meet the needs of the small and marginal farmers. Inadequate institutional coverage in India, the institutional credit arrangement continues to be inadequate as compared to its growing needs.

Due to progressive institutionalisation of credit, private sources now meet barely 20% of the short and medium term credit needs of the farmers. In other words, institutional sources meet about 80% of such needs. This is due to apathy of state owned commercial banks in providing credit to poor peasant.

Troubled farmers: Lack of cheap, efficient means of transportation is a big problem widely seen in Indian agriculture sector; small farmers still rely on bullock carts for transporting their produce. Consequently, farmers cannot deliver their produce to the central market and helplessly sell it in the local market at low costs.

Institutional agricultural credit Institutional- Relating to a large organisation to build where people are looked after or hold. Agricultural-Includes farming in all branches and among other things includes the cultivation and tillage of soil, production, growing and harvesting of any agricultural and horticultural commodities the raising of lives stock.

It means not paying the loan amount which taking from the any formal financial institution or bank. Agriculture loan repayment mean not payment of agriculture loan which farmers getting from the bank and other formal financial institution as on financial year.

Loan repayment report table no.1

Year	Total distribution amount	Loan disbursed to SF/MF out of total disbursement	% share of SF/MF in total amount disbursed
2016-2017	1065755.67	534.351.43	50.14
2017-2018	1162616.98	580457.42	49.93
2018-2019	1254762.20	626087.53	49.90

Sources: NABARD (as reported by banks)

Agricultural Credit: Agricultural credit is the base for investment in this sector. While agricultural credit is secured from various sources, the State Government has focused on increasing formal credit through banks and cooperatives. As a result, there has been a quantum jump in the credit allocated for the crop sector in recent years.

Table .2. Telangana State Credit Plan: Achievements from 2016-17 to 2018-19 (Rs. in crore)

S. No	Segments	Disbursal during 2016-17	Disbursal during 2017-18	2018-19	
				Target	Achievement (as on 31.03.2019)
1	Crop loans	26,282.40	31,410.57	42,494.26	33,751.72
2	Agriculture Term Loans	5,214.50	7,320.07	11,421.85	12,672.32
3	Allied Agricultural Activities	5,214.50	3,731.25	4,147.30	4,927.73
4	Total Agricultural (1+2+3)	36,711.40	42,461.89	58,063.68	51,351.77

Source: Socio Economic Outlook 2019

As per the Annual Credit Plan prepared by the State Level Bankers' Committee of Telangana, the total annual credit plan for the year 2018-19 was Rs.1,36,733.33 crore. Out of the total projected plan, Rs.58,063.68 crore credit was targeted towards agriculture and allied activities, which is about 42.47% of total credit plan. The total agricultural credit extended in 2018-19 was Rs. 51,351.77 crore. In addition to expanding the Annual Credit Plan for ensuring credit to agricultural sector from the formal sector, government of Telangana has been taking number of initiatives to augment credit to farmers. Telangana State Co-operative Apex Bank Limited (TSCAB), which commenced its business from April 2015, provides leadership to District Co-operative Central Banks and Primary Agriculture Co-operative Credit Societies (PACS), to fulfill the objective of ensuring timely and adequate credit facilities to the farmers and other rural population of the State. The TSCAB is the nodal agency for channelization of funds from NABARD to farmers through DCCBs and PACS. The total disbursements by TSCAB under crop loans is Rs.2,527.99 crore and Rs.29,59.81 crore under short- term (others), during the year 2018-19. TSCAB has also taken prompt initiative for timely paddy procurement from the farmers through PACS. 470 PACS have taken up procurement of paddy as an agent of Civil Supplies Corporation Ltd., Government of Telangana.

Conclusion:

India is an agricultural country. Agriculture is “only”16%of GDP but the largest sector for employment. Officially farmers are only a few hundred million, but adding family members who help or occasionally farm, as also wage labourers, the number of farmer workers is likely to be closer to half a billion people.

Short term credit: the Indian farmers require credit to meet their short term needs viz. purchasing seeds, fertilizers, paying wages to hired workers etc. for a period of less than 15 months. Such loans are generally repaid after harvest. Medium term credits are normally larger in size than short term credits

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AGRICULTURAL CREDITS: FARMERS PROBLEMS AND PROSPECTUS IN SANGAREDDY DISTRICT OF TELANGANA STATE

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