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Awareness Metrics on Agriculture Credit Schemes with Special Focus on Farmers of Orthanadu Taluk of Thanjavur, Tamilnadu.

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ABSTRACT

This research paper aims in analysing the awareness metrics of agricultural credit schemes in Orathanadu taluk of Thanjavur district, Tamilnadu, India. Agriculture being the backbone of Indian Economy and livelihood for 60% of population in India. Farmers face various issues unresolved in terms of financial inclusion and credit supply. Government stretching its arm to raise the standard of people through various credit schemes and policies but the situation remain stand still due to lack of knowledge and awareness among farmers. Agriculture credit to farmers is mandate in all scenario and all sphere of cultivation and farming to meet daily working capital requirements. Farmers are often distress due to unavailable timely credits. The availability of credit to farmers is highly lacking due to less awareness about the schemes and less outreach among the farmers. Since the country is of high range population reaching out to individual farmers and backward areas is challenging for the government. Government and financial institutions should develop a proper business correspondence and facilitator to reach out to the farmers on various financial products and services that severe their timely needs. The primary objective of this paper is to measure the awareness level of farmers on various credit schemes and policies. Chi-Square test is applied to test on the awareness level among the farmers and Rank test is done to measure the awareness based on gender. Excel platform is used to arrive at the output about the awareness level of farmers.

Keywords: Agriculture Credit, Awareness metrics, Financial Institutions, Business Correspondence, Farmers, Credit Schemes, Rank Test, Chi-Square Test.

1. INTRODUCTION ON AGRICULTURE CREDIT :

Agriculture plays an important role in the major development of the rural economy and in the national economy of developing countries like India. Rapid and sustainable agricultural development stimulates the process of economic growth. Agriculture development implies increased production and productivity of crops, generation of employment opportunities and thereby improved standard of living of the peasants. Moreover, the agricultural sector accelerates the overall economic development.

The word credit is derived from the Latin word “Credire” which means to believe or to have a trust or have a faith or confidence. Credit is a means of obtaining resources at a certain period of time, with an obligation to repay it at subsequent period in accordance with the terms and conditions of the credit obtained” (RBI, 1954).

Various policy initiatives taken by government to increase the credit flow in agriculture:

- Farm credit package
- Interest subvention to farmers
- Extension of interest subvention scheme to post harvest loans
- Interest subvention in the event of natural calamity
- Collateral free loans

- Kisan Credit Card Scheme (KCC)
- A Joint Liability Group (JLG)

One of the exemplary reforms by government is introduction of Kisan Credit Card (KCC), this provides a platform to the farmers to get credit for short-term basis. Farmer who are holding KCC are expected to renew the card on yearly basis up to 5 years after which bank will provide with lengthy maximum period for renewal. KCC can be used by farmers to meet their working capital requirements. The main day-to-day requirements or working capital requirements for farmers are purchase of seeds, fertilizers, pesticides, equipment's and other infrastructural requirements.

1.1 Essential for a sound system of agricultural credit :

The famous agricultural economist Louis Tardy (1938) has laid the following criteria for good system of agricultural credit.

- Credit should be granted for long period.
- Credit should be allotted with reasonable rate of interest.
- It should be adequately secured to avoid any abuse of credit facilities, and the security need not be material.
- It should be having average yield and capacity of repayment of farms, especially during the period of depression.
- It should be in the hands of banking professionals with adequate experience.

1.2 Objective of the Study :

1. To analyse the source of knowledge about various credit schemes among the farmers based on gender.
2. To study how education stimulates awareness of various credit schemes among farmers of Orthanadu thaluk of Thanjavur district.
3. To test the goodness of fit on awareness on various credit schemes among farmers of Orthanadu thaluk of Thanjavur district.

2.REVIEW OF LITERATURE :

Rakesh Mohan (2004) "Agriculture Credit in India: Status, Issues and Future Agenda", the report highlights the role of green revolution that insists the greater use of inputs like fertilizers, seeds and other inputs and increased credit requirements. It is found in the study that antiquated legal framework and outdated tenancy laws have hampered the flow of credit and development of strong and efficient financial institution. The study ascertained the several gaps prevailing in effective credit delivery such as (i) inadequate provision of credits to small and marginal farmers (ii) scarcity of medium and long-term lending (iii) limited deposit mobilization and (iv) heavy dependency on borrowed fund by major agricultural purveyors. Thus, there is need for future research to overcome the loopholes in effective

credit delivery. What is now needed in agriculture is new mission mode in correspondent with 1970 green revolution.

Somdeep Chatterjee. (2015), "Effects of Agriculture Credit Reforms on Farming Outcomes: Evidence from the Kisan Credit Card Program in India", the study insisted on Kisan Credit Card usage by the farmers for supporting agricultural credit. The main reason is to relax farmers from non-availability of credit. The study used geographic variation in the outreach of the program to find the impact of policy. It is established from the study that it led to large scale increase in agricultural output. Paddy, the major crop of India affected due to poor production post-policy. The pre-policy was replaced by technological adoption by putting more area under cultivation by using High Yield Varity Seeds. The study found that many households are trapped in large loan and borrowings from bank irrespective of the availability of Kisan Credit Card. Thus, this study emphasis that KCC availability should be known to farmers and need for further study to establish the outcome and effect of using KCC.

3.RESEARCH METHODOLOGY :

The present study focuses on "Awareness Metrics on Agriculture Credit Scheme with special focus on Farmers of Orthanadu taluk of Thanjavur, Tamilnadu". The parameter for this study is 120 samples collected from farmers of Orthanadu taluk. Primary data is collected to justify the awareness level of farmers on various agricultural credit schemes and source of knowledge about various schemes.
The main hypothesis for this study is to test whether there is significant difference in the awareness level of farmers on various credit schemes available. The hypothetical condition is tested using chi-square. The general statistical measure like descriptive statistics and mean rank is used to measure the data strength.

4. DATA ANALYSIS AND INFERENCES :

Table 4.1: Source of Knowledge about Agricultural Credit Schemes

	N	Mean		Std. Deviation	Variance
	Statistic	Statistic	Std. Error	Statistic	Statistic
Source of Knowledge about Agricultural Credit	120	2.02	.123	1.344	1.806

It is inferred from the above descriptive statistics table that the mean score on source of knowledge about agricultural credit is 2.02 with standard error of 0.123. The standard deviation obtained are 1.344 and variance is 1.806 for a sample of 120 farmers.

Table 4.2: Ranks of source of knowledge about agriculture credit schemes based on gender

	GENDER	N	Mean Rank
Source of Knowledge about Agricultural Credit	Male	100	56.82
	Female	20	78.92
	Total	120	

The above table describes mean rank of the gender knowledge about various agriculture credit schemes in Orthanadu taluk of Thanjavur. It is clear from the above analysis that nearly 78.92 score is obtained by female population from 20 female and 56.82 score obtained by male population from 100 male samples. It is clear from the analysis that the knowledge about agriculture credit is high among the female population.

Table 4.3: Awareness Measure Based on Education Level

Credit Schemes	**Awareness Level**	**Education level**								
		Uneducated	**Diploma**	**SSLC**	**HSC**	**UG Degree**	**PG Degree**	**Professional**	**Others**	**Total**
Kisan Credit Card	**Aware**	35	9	23	7	4	3	13	4	98
	Unaware	19	1	0	0	0	0	2	0	22
	Total	54	10	23	7	4	3	15	4	120
Investment Loan	**Aware**	10	6	14	6	4	3	6	0	49
	Unaware	44	4	9	1	0	0	9	4	71
	Total	54	10	23	7	4	3	15	4	120
Security Free Loan	**Aware**	18	6	18	6	4	3	9	4	68
	Unaware	36	4	5	1	0	0	6	0	52
	Total	54	10	23	7	4	3	15	4	120
Joint Liability Group Scheme	**Aware**	7	5	10	2	4	3	5	0	36
	Unaware	47	5	13	5	0	0	10	4	84
	Total	54	10	23	7	4	3	15	4	120
Interest Subvention in the event of	**Aware**	11	5	14	4	4	3	8	0	49
	Unaware	43	5	9	3	0	0	7	4	71
	Total	54	10	23	7	4	3	15	4	120

natural calamity										
Extension of interest subvention scheme to post harvest period	**Aware**	14	6	17	5	4	3	5	0	54
	Unaware	40	4	6	2	0	0	10	4	66
	Total	54	10	23	7	4	3	15	4	120
Interest subvention to farmers	**Aware**	9	4	14	2	4	3	7	0	43
	Unaware	45	6	9	5	0	0	8	4	77
	Total	54	10	23	7	4	3	15	4	120

The above table is a general count of awareness level about various credit schemes among farmers based on their education. It is clear from the generalized table that most of the uneducated farmers are not aware of the schemes. The banking correspondent model need to be established strongly in order to educate the farmers on various credit schemes.

Testing of awareness level of farmers of Orthanadu Taluk of Thanjavur on Various Agriculture Credit Schemes.

Hypothesis: Let us take the hypothesis that there is no significant difference in the awareness level of farmers on various credit schemes.

Table 4.4: Frequency measure on awareness level of Thanjavur farmers on various agriculture credit schemes.

	KCC	**IL**	**SFL**	**JLGS**	**ISNC**	**EISS**	**ISF**	**Total**
Aware	98	49	68	36	49	54	43	397
Unaware	22	71	52	84	71	66	77	443
Total	120	120	120	120	120	120	120	840

Table 4.5: frequency and residual table. Expected frequency is taken as constant 60.

	Awareness Level	**Observed N**	**Expected N**	**Residual**
Kisan Credit Card	Aware	98	60	38
	Unaware	22	60	-38
Investment Loan	Aware	49	60	-11
	Unaware	71	60	11
Security Free Loan	Aware	68	60	8
	Unaware	52	60	-8
Joint Liability Group Scheme	Aware	36	60	-24

	Unaware	84	60	24
Interest Subvention in the event of natural calamity	Aware	49	60	-11
	Unaware	71	60	11
Extension of interest subvention scheme to post harvest period	Aware	54	60	-6
	Unaware	66	60	6
Interest subvention to farmers	Aware	43	60	-17
	Unaware	77	60	17

Table 4.6: Chi-Square Test on awareness level of farmers on various credit schemes.

Test Statistics							
	Kisan Credit Card	**Investment Loan**	**Security Free Loan**	**Joint Liability Group Scheme**	**Interest Subvention in the event of natural calamity**	**Extension of interest subvention scheme to post harvest period**	**Interest subvention to farmers**
Chi-Square	48.133[a]	4.033[a]	2.133[a]	19.200[a]	4.033[a]	1.200[a]	9.633[a]
Df	1	1	1	1	1	1	1
Asymp. Sig.	.000	.045	.144	.000	.045	.273	.002

The outcome on awareness level of farmers on various credit schemes is significant if p value is equal or less than the designated alpha value (0.05). The following outcome on awareness level of farmers on various credit schemes in India.

- Awareness on kisan Credit Card among farmers, p value is less than alpha value i.e., 000 < 0.05, reject the null hypothesis. Hence it is found tha there is signifance difference in the awareness level of farmers about Kisan Credit Card scheme among farmers.
- Awareness on Investment Loan among farmers, p value is less than alpha value i.e., .045<0.05, reject the null hypothesis and there is significance difference in the awareness level of farmers about investment loan scheme.
- Awareness on securtiy free loan among farmers, p value is greater than alpha value i.e., .144>0.05, accept the null hypothesis and there is no significance difference in the awareness level of farmers about security free loan scheme.
- Awareness on joint liability group scheme, p value is less than alpha value i.e., 000<0.05, reject the null hypothesis and there is significance difference in the awareness level of farmers about joint liability group scheme.

- Awareness on interest subvention in the event of natural calamity, p value is less than alpha value i.e., .045<0.05, reject the null hypothesis and there is significance difference in the awareness level of farmers about interest subvention scheme.
- Awareness on extension of interest subvention scheme to post harvest period, p value is greater than alpha value i.e., .273>0.05, accept the null hypothesis and there is no significance difference in the awareness level of farmers about extension of interest subvention scheme.
- Awareness of interest subvention of farmers, p value is less than alpha value i.e., .002<0.05, reject the null hypothesis and there is significance difference in the awareness level of farmers about interest subvention scheme.

5. CONCLUSION :

This study on awareness metrics and agriculture credit schemes have determined that the uneducated farmers are lacking in awareness about the available schemes in India. The banking correspondent model need to be strengthened in order to educate the farmers on various credit schemes. It is also clear from the study that their exist a significant difference on awareness and unawareness level about credit schemes such as Kisan Credit Card (KCC), Investment loan, Joint Liability Group (JLG) Scheme, Interest subvention in the event of natural calamity in India and Interest subvention of farmers. Subsequently, It is found that there is less significant difference on awareness and unawareness level about credit schemes such as security free loan and extension of interest subvention scheme to post harvest period is less. Government and financial institutions should establish a strong Banking or Business Correspondent (BC) Model to strengthen the knowledge of farmers on various schemes. Most of the farmers are illiterates and lack in reading and writing knowledge. Thus, government shoul educate farmers through street play and other programs.

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