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A Study on Farmers Opinion towards Agriculture Finance in Tiruttani and Pallipattu Taluk at Thiruvallur District, Tamilnadu

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ABSTRACT

This study is on the various sources of finance for agricultural activities and, farmer's opinion about the approval of agriculture finance and, the struggles faced in settling the agricultural credits. Particularly, this study is in Tiruttani and Pallipattu Taluk at Thiruvallur district. In this study, the respondents are mostly male 43% and with the age group from 51-60 years. 55 % of the farmers are Illiterate and, 55% of the respondent's family size is with 3-5 members and, 32 % of the respondent's farm lands are 5-8 acres. Most of the farmers cultivated sugarcane (26%) and Paddy (21%). Majority of the farmers (30%) received finance from primary agricultural Cooperative banks. Data were collected using prearranged interview schedule. Data were analysed using chi-square.

1. INTRODUCTION

Agriculture is the back-bone and the primary source of our Indian economy. It offers direct employment to 2/3rd of our population. The agriculture provides food, clothing, Shelter and other basic necessities for life to the entire population of the country and beyond that. The agricultural finance plays a crucial role in the agricultural development of the country. One of the reasons for the fall down in the contributions of agriculture to the Indian economy is, due to lack of formal National Credit Policy and neglecting the agricultural loan by credit and financial institutions. Financing to agriculture (capital) is viewed as more than just another resource such as land, labour, material and raw materials. The performances of loan contracts determine the profitability and stability of financial institutions, and screening the loan applications is a key process in minimizing credit risk.

Financial and credit Institutions, which played an important role in the development of agricultural sector and, it is an instrumental method for the development of Indian agriculture. It showed all signs of elasticity to natural distresses like drought, famine and others. In fact, credit has proceeded as a means to provide control over resources to make possible the farmers to acquire the essential capital for ever-increasing the agricultural production. It encourage the farmers to walk on for the short-term credit for the purchase of products like seeds, fertilizers, tools, and other services; and also walk on for the long-term financing for the purchase of tractor, motor pump set and other new modern and updating technology. Therefore credit financing has played a crucial role by smooth the progress of technological up-gradation and commercialization of agriculture.

Finance is one of the major sources and much important for the agricultural development of the country. It always encourages the farmers to undertake new reserves to enhance with the new technologies. The importance of agricultural finance is further more modulated for the unique role

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of Indian agriculture in the macroeconomic framework along with its significant role in poverty mitigation. Realizing the importance of agricultural finance in promoting agricultural growth and the development of agricultural sectors, it is highlighted on the institutional framework for agricultural finance has been growing since the beginning of planned development era in India.

2. OBJECTIVES OF THE STUDY

- To discover the various harvesting pattern followed by the farmers.
- To find out the various sources of finance for agriculture activities for the farmers
- To know the opinion of the farmers on receiving the agriculture finance and,s the problems faced in resettling the same.

3. METHODOLOGY

The study is based on the data, collected from the individual farmers in Thiruvallur district. Convenient sampling technique has been used in order to collect data from 150 respondents which were collected for a period of 1 month (september 2019) through interview schedule. The secondary data have been collected from the published journal, books, magazines and websites.

For the purpose of study, Tiruttani and Pallipattu Taluk in Thiruvallur district were studied with the data collected and, it were progressed for further study with the help of the Statistical Product and Service Solution (SPSS) to analyse and interpret the data in the study. The following statistical tools namely, Chi-square Test, percentage analysis have been used for analysis to arrive at meaningful conclusions.

LIMITATION OF STUDY

- The period of study is limited one month
- The sample size is 150,
- Preference and opinions are supposed to change from time to time.

4. REVIEW OF LITERATURE

S. Gandhimathi and S. Vanithain on topic entitled "Determinants of Borrowing Behavior of Farmers – A Comparative Study of Commercial and Cooperative Banks", studied that the preference of farmers between commercial and cooperative banks for borrowing, were studied with the objectives of finding the credit loan across various group of farmers were to assess the coverage of credit and socio-economic factors which tell on the farmer's make use of commercial and cooperative banks. The study is based on 100 farmers who offered some suggestions also for a better access of farmers to institutional credit. It was published in the Research journal "Agricultural Economics Research Review, Vol.23 January – June 2010, pp 157-164.

Mahadeva Murthy, B. H. Suresh and K. P. Veenamade a study on the topic "Dimension of institutional finance for agricultural activities: An Analysis" which was published in the Indian management journal, 2009. It identified, that the agriculture is a way of life, a tradition and the economic life of the people of India. Around 61% of the workforce directly and indirectly depends

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upon the agriculture. The Credit financing is an influencing factor in Indian agriculture. The paper concludes that the institutional credit is playing a vital role in supporting cultural production in India and the amount of institutional credit for agriculture and allied activities has increased over the years.

Mr. Mohan, made a study on the topic " Agricultural credit in Indian: An Analytical Study." it finalise that the overall growth of agriculture and the role of institutional credit agree that the overall supply of credit to the agriculture as the percentage is going down. He clarified, and established that while credit is increasing, it has not really made an impact on value of output figures which points out the limitations of credit. It was published in the "International Journal of Latest Trends in Engineering and Technology" 2006.

DEMOGRAPHIC PROFILE OF STUDY

S.NO	PARTICULARS	NO OF RESPONDENTS	%
1	Sex		
	Male	95	63
	Female	55	37
2	Age of The Respondents		
	21-35	32	21
	36-50	43	29
	51-65	65	43
	Above 65	10	7
3	Family Size		
	Below 3 Members	36	24
	3-5 Members	82	55
	6-9 Members	32	21
4	Qualification		
	Illiterate	83	55
	Below 5th std	10	6.6
	6th std to 10th std	15	10
	Higher Secondary	28	19
	Graduate	14	9
5	Farm Size		
	Below 2 Acers	44	29
	2-5 Acers	35	23
	5-8 Acers	48	32
	Above 8 Acers	23	15

Source: Primary Data

TABLE NO 1

The above table 1 shows that the demographic profile of the respondents. Out of 150 farmers, 63% are male and remaining 37 % are female. 43% of respondents are in the age group between 51-65

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years and, 7% of respondents are in the age group of above 65 and, 55 % of the respondents are Illiterate and , 9% of the respondents are finished Graduate. 55% of the respondent's family size is with 3-5 members and, 32 % of the respondents farm size are 5-8 acres of land.

DISTRIBUTION OF RESPONDENT ACCORDING TO CROPS GROWN

S.NO	CROPS	NO OF RESPONDENTS	%
1.	Paddy	36	21
2.	Flower	22	15
3.	Vegetables	24	16
4.	Banana	29	19
5.	Sugarcane	39	26
	Total	150	100

Sources: primary Data

TABLE NO 2

The above table explained that 26% of the respondents cultivate sugarcane; 21% of the respondents are cultivating paddy and, only 16% of respondents are cultivating vegetables.

SOURCES OF FINANCE FOR AGRICULTURAL ACTIVITIES

S.NO	SOURCES	NO OF RESPONDENTS	%
1	Private Money Lenders	35	23
2	Public Sector Bank	39	26
3	Private Sector Bank	09	06
4	Primary Agricultural Cooperative Banks	46	30
5	Relatives and Friends	21	14
		150	100

Sources: primary data

TABLE NO 3

The above table shows that most of respondents (30%) are receiving loan from primary Agricultural cooperate banks and, 23% of respondents are provided loan from private money lenders.

SOURCE OF AWARENESS OF FINANCIAL SOURCES

S.NO	SOURCES	NO OF RESPONDENTS	%
1	Neighbours	76	50.6
2	Newspapers	30	20
3	TV	26	17.3
4	Radio	14	9.3

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5	Internet	4	2.6
		150	100

Sources: Primary data

TABLE NO 4

The above table shows that 50.6% of respondent know about this financial sources through neighbours, 17.3% of respondents know about this financial sources through TV.

CHI SQUARE TEST

THE RELATIONSHIP BETWEEN THE EDUCATIONAL QUALIFICATION SOURCE OF AWARENESS OF RESPONDENTS AND

EDUCATIONAL QUALIFICATION/SOURCES OF AWARENESS	NEIGHBOURS	NEWSPAPERS	TV	RADIO	INTERNET	TOTAL
Illiterate	42	18	14	8	1	83
Below 5th std	6	1	1	1	1	10
6th std to 10th std	5	2	5	2	1	15
Higher Secondary	10	9	5	2	2	28
Graduate	3	3	4	2	2	14
Total	66	33	29	15	7	150

TABLE NO 5

RESULT

The table values are lesser than the calculated value. Therefore the null hypothesis is rejected, so there is a relationship between the age background of the customer and their satisfaction level.

5. FINDINGS

- It was found that 30% of respondents have borrowed loan from primary agricultural Cooperative Banks.
- It was observed that 26 % of have borrowed loan from Public Sector Banks,
- It was observed that 23% of the respondents borrowed loan from Private Money Lenders.
- It was found that 20% of respondents are not aware of the loan facilities are available.
- Lack of educational knowledge is the major problem to receive agricultural loans; difficulties in opening bank account (2.76%) are the other major problems faced to receive agricultural finance.
- What are reasons for making farming as a profession?
- Among those respondents, 39.6% feel that they want to be the traditional farmers and, 26.4% feel proud to be the traditional farmers

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- Only 8.8 % of the farmers like farming due to good income source. It was also observed that, 24.5 % of the farmers are still living in the below poverty line.
- It was observed that, 56 % of the farmers say that the period for loan's Repayment is too short.

6. SUGGESTIONS

- It is suggested that farmers training camps and training program may be conducted at the village level, occasionally or at regular interval of time.
- It is necessary for generalization of procedures for recovering the overdue of the commercial banks.
- Expansions of repayment period, in terms of consecutive crop failure due to natural calamities are also required.
- Credit limit should be increased to fulfill the credit gap. To balance the credit, farmers are enforced to borrow money from non-institutional sources for credit.
- The commercial banks are expected to make more liberal practice for the distributions of agricultural loan to the farmers in the study area.
- The Proper initiation should be taken to release the agricultural loans as an essential inputs such as seeds, fertilizers whenever is required to the farmers.
- Timely loan is very essential in agriculture, because the agricultural activities are more time- specific and weather- specific. So, the delay in approval and distribution of loan amount should be avoided.
- It is observed that the follow up of agricultural crop loan is very weak, especially follow up after loan. So, commercial bankers should ensure that there is effective follow up of crop loans.

7. CONCLUSION

Most of the farmers are illiterate and do not understand the bureaucratic and other requirements of formal financial institutions. As a result, agricultural finance in the country is provided through three main channels, via, commercial banks including private sector banks in the recent years, regional rural banks and cooperative societies. From this study farmers views were noted that they are not aware of the facilities available in banks, and are not provide finance in time and there is no sanction of sufficient amount. A special care should be given to provide finance in time which will assist better progress in agriculture production.

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