

Constraints faced by the farmers in availing credit facilities extended by the nationalized bank in Pune district

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ABSTRACT

In order to study the constraints faced by the farmers in availing credit facilities extended by the nationalized banks in Pune district out of 1500 beneficiaries, 137 were selected randomly from Junner tahasil of Pune district. The special designed schedule was used for the collection of data. The data were collected for the year 2008-09. Qualitative data were quantified using suitable scoring statistical tools. Large proportion of beneficiaries (45.99 per cent) faced more constraints in availing loan. The proportion of the beneficiaries facing more or less knowledge constraints were ranging from 40 to 53 per cent, insufficient security (30.66 per cent) and unwillingness of people to be guarantor (24.81 per cent) were the other major constraints faced by them. Delay in getting documents (78.84 per cent), requirement of more documents (75.92 per cent), increase of expenses (71.54 per cent) were the constraints faced by the large number of beneficiary farmers. Need of constant follow up (59.13 per cent), delay in sanctioning of loan (40.88 per cent), lack of guidance (36 per cent) and inadequacy of loan were the other major constraints faced by the beneficiaries. Most of the beneficiaries opined that untimely loan was likely to be misutilized (87.54 per cent). Inspection of the bank over proper utilization of credit by farmers (82.48 per cent), necessity of taking risk of loan to develop the agriculture business (75.91 per cent) were other important opinions expressed by them.

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Agriculture plays an important role in the national income in India and absorbs about two third of the working population. It provides raw material to various industries and has potential to earn foreign exchange. To increase agricultural production and productivity is a task before the nation. The greater production of productivity can be achieved through adoption of improved technology in Indian agriculture. It demands more inputs like seeds of high yielding varieties, fertilizers, pesticides, insecticides, growth regulators, hormones, different irrigation systems and the use of more farm mechanization. This obviously requires greater cash inputs

and working capital which cannot be met through normal savings of an average Indian farmer. Lack of funds is the basic reason for non-adoption of improved technology. Credit, thus has become a highly essential aspect for mobilizing agricultural development, several financial institutions viz., commercial banks, co-operative banks/societies, land development banks, scheduled banks etc., to meet credit demands of farmers. These institutional agencies have a good network and can finance big amount to the cultivators.

It is therefore, important to provide adequate, balanced and timely finance to agriculture. However, leading commercial banks kept themselves aloof from financial needs of agriculture sector and were alleged of not performing proper role in planned national development. The Government of India therefore took the decision of nationalization of fourteen major commercial banks in 1969 and six more commercial banks were added to the list in 1980. During last three decades, nationalized banks are financing agriculture through various schemes for the development of agriculture and other ancillary business. The loan is granted for cultivation of crops, plantation of horticultural crops, purchase of

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