Role of co-operatives in agricultural finance of Banaskantha district Central Co-operative Bank

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ABSTRACT

Banaskantha District Central Co-operative Bank is creating it work for Co-operative sector. BDCCB is the largest co-operative bank in Banaskantha District. It is major player in the co-operatives sector. BDCCB's net profit is increasing year to year. Since the establishment of bank, it increased its branches. During the year 2009-10, BDCCB has 137 branches. BDCCB provides different types of loans to farmers and others. Important thing is that its current NPA is 6.35 per cent, which is very less than last year. Last year NPA was 7.73 per cent. At present, BDCCBs has Rs. 40,00,00,000 share capital and paid up share capital is Rs. 35,78,92,300. This study indicated that the repayment consciousness on the part of the small farmers is more as compared to medium and large farmers. Further, it noticed that due to three tier credit structure, Co-operative (B.D.D.C) bank plays an important role for micro-financing at grass route level.

INTRODUCTION

Agriculture in India underwent a tremendous change following the introduction of the new agricultural technology. Farming which was mostly subsistence oriented is now becoming commercial venture. Transforming traditional agriculture involves not only transfer of technology from lab to land but also arranging the requisite inputs of which, the credit is the vital component. Credit helps the farmers to buy their requirements in time and at reasonable rates, and sell their produce at good and remunerative prices with provision of good storage and processing facilities. It facilitates timely flow of other inputs. Thus, to increase agricultural production, bank's participation has been found to be increasingly significant.

Introduction of Co-operatives:

After independence of India, particularly with the beginning of planning, co-operative sector was given due consideration in the economic policies of the Government. It was preserved in the directive principles of the state policy in the constitution that co-operative sector should emerge as a strong balancing force between the private and public sectors. The co-operatives are expected to play a vital role in providing support to the production as well as investment activities in the rural areas. They have therefore to emerge as strong and vibrant institutions both organizationally as well as financially. There could be an accelerated progress in the working of the organization with the restoration of democratic leadership and professional management.

With the economy opening up, the co-operatives have lots of opportunities as well as challenges. They have to stand in competition for their survival and growth. No time should, therefore, be lost to improve their resources and competence to provide credit and other services to a larger clientele for wider sectors with new and innovative package.

If credit has to play its part effectively, it is necessary that it should be made available to the farmers at the right time, in the required quantity and at reasonable rate. In a country as large as India, no single pattern be it a Co-operative or commercial banking can be expected to meet