

RESEARCH ARTICLE :

Constraints analysis in relation to the utilization of Kisan Credit Card in Rewa block of Rewa district (M.P.)

■ Toran Lal Nishad, Sanjay Singh, Rameshwar Kumar and Dharmendra

ARTICLE CHRONICLE :

Received :

11.11.2018;

Revised :

09.01.2019;

Accepted :

15.01.2019

SUMMARY : The Kisan Credit Card scheme introduced in the year 1998 with the objective of fulfillment of agriculture the credit requirement of the farmers in a timely and hassle-free manner for raising agricultural production. Keeping the importance of KCC the present study was an attempt to assess utility of KCC as perceived by the farmers. To gain insight into the functioning of KCCs, the present study was carried out with a sample of 140 beneficiaries of Kisan Credit Card (70 small and 70 marginal farmers). The constraints experienced by the respondents in utilization of Kisan Credit Card of respondents. It was found that the major constraint experienced by the Kisan Credit Card holders were as inflexibility in use of branch (57.85) followed by inflexibility in withdrawal (57.14), insufficient credit limit (56.42), lack of motivation from officials (55.00) and lengthy paper work (54.28). The important suggestions offered by the Kisan Credit Card holders to avail the desired benefit from Kisan Credit Cards were as creating the awareness towards utilization of Kisan Credit Card, flexibility in use of branch (49.28), sufficient credit limit (47.85), motivation from officials (47.14), loaning procedure should be easier (45.00), there should be proper linkage between agricultural expert and beneficiaries (43.57) and premium of repayment should be minimum (42.14).

KEY WORDS :

Agriculture loan, Awareness, Farmers, District co-operative bank

How to cite this article : Nishad, Toran Lal, Singh, Sanjay, Kumar, Rameshwar and Dharmendra (2019). Constraints analysis in relation to the utilization of Kisan Credit Card in Rewa block of Rewa district (M.P.). *Agric. Update*, 14(1): 62-64; DOI : 10.15740/HAS/AU/14.1/62-64. Copyright@ 2019: Hind Agri-Horticultural Society.

Author for correspondence :

Toran Lal Nishad
Department of
Extension Education,
College of Agriculture
(J.N.K.V.V.), Rewa
(M.P.) India
Email: torannishad57@gmail.com

See end of the article for authors' affiliations

BACKGROUND AND OBJECTIVES

The Kisan Credit Card scheme introduced in the year 1998 with the objective of fulfillment of agriculture the credit requirement of the farmers in a timely and hassle-free manner for raising agricultural production. The scheme is being implemented in the entire country by the credit institutional

bank involving Commercial Banks, Rural Regional banks and co-operative bank and has received wide acceptability amongst bankers and farmers. The Kisan Credit Card allows farmers to have cash credit facilities without going through time-consuming bank credit screening processes repeatedly. Repayment can be rescheduled if there is a bad crop season and extensions of loan repayment

offered for upto four years. One of the major constraints faced by the commercial banks and other similar institutions in financing agriculture is that of mounting over dues. Over dues are caused by poor recovery which ultimately restricts the smooth flow of credit for the smooth flow of credit, repayment of credit regularly is essential repayment of credit is of crucial importance for any public sector. Keeping the importance of Kisan Credit Card in view, the present study was undertaken with following objectives.

– To identify the constraints experienced by the respondents in utilization of Kisan Credit Card.

– To find out suggestions for enhancing the utilization of Kisan Credit Card.

RESOURCES AND METHODS

The present study was conducted in the Rewa district (M.P.), since the number of Kisan Credit Card holders is maximum in district co-operative bank as compared to commercial banks, the study was focused on Kisan Credit Card holders in jurisdiction of district co-operative bank only. Rewa district comprises of nine blocks. Out of which Rewa block was selected on the basis of higher number of KCC holders. Presently there are 19 credit societies are working through district Co-operative bank. Out of which 2 credit societies was selected on the basis of higher number of KCC holders. A list of KCC holders from the selected credit societies were prepared and 5 per cent KCC holders (70 small and 70 marginal farmers) were selected from both societies. The sample consisted of 140 respondents. The

researcher collected the primary data personally by interviewing the selected respondents with the help of structured and pre-tested interviews schedule. The secondary data were obtained from the various government offices and publications. An interview schedule was designed for collecting the relevant information of selected variables. The data were collected personally with the help of pre tested interview schedule. The researcher personally contacted the respondents. They were assured that the information given by them would be kept confidential and it would only be used for the academic purposes. Data collected were qualitative as well as quantitative. The quantitative data were interpreted in terms of percentage and qualitative data were tabulated on the basis of approved categorization method.

OBSERVATIONS AND ANALYSIS

The results obtained from the present study as well as discussions have been summarized under following heads:

Constraints experienced by the respondents in utilization of Kisan Credit Card:

Utilization of Kisan Credit Card has been affected adversely by various kinds of constraints. In the present study the beneficiaries of Kisan Credit Card were asked to mention such constraints perceived by them. The major constraints perceived by the Kisan Credit Card holders were presented in Table 1.

The major constraints experienced by the

Table 1: Constraints for enhancing the utilization of Kisan Credit Card

Sr.No.	Constraints	No. of respondents	Percentage	Rank
1.	Lengthy paper work	76	54.28	V
2.	Insufficient credit limit	79	56.42	III
3.	Crop failure due to natural calamities	72	51.42	VIII
4.	Inflexibility in use of branch	81	57.85	I
5.	Expenses on social events and other contingent work from credit	68	48.57	XI
6.	Inflexibility in withdrawal	80	57.14	II
7.	Lack of motivation from officials	77	55.00	IV
8.	Problem of fragmented land holding	69	49.28	X
9.	High interest rate in delay repayment of credit	67	47.85	XII
10.	Un-availability of irrigation and electricity at critical time	71	50.71	IX
11.	Location difficulty	75	53.57	VI
12.	Fear of being a defaulter	73	52.14	VII

Table 2: Suggestions for enhancing the utilization of Kisan Credit Card

Sr. No.	Suggestions	Number of respondents	Percentage	Rank
1.	Repayment and recovery provision should be flexible	57	40.71	VII
2.	Flexibility in use of branch	69	49.28	I
3.	Sufficient credit limit	67	47.85	II
4.	Availability of irrigation and electricity at critical time	53	37.85	VIII
5.	Loaning procedure should be easier	63	45.00	IV
6.	There should be proper linkage between agricultural expert and beneficiaries	61	43.57	V
7.	Premium of repayment should be minimum	59	42.14	VI
8.	Motivation from officials	66	47.14	III
9.	Effective planning and implementation of P.M.F.B.Y.	46	32.85	X
10.	Skill oriented crop production training programmes	49	35.00	IX

beneficiaries were arranged in descending order on the basis of rank order as inflexibility in use of branch (57.85) followed by inflexibility in withdrawal (57.14), insufficient credit limit (56.42), lack of motivation from officials (55.00), lengthy paper work (54.28), location difficulty (53.57), fear of being a defaulter (52.14), crop failure due to natural calamities (51.42), un-availability of irrigation and electricity at critical time (50.71), problem of fragmented land holding (49.28), expenses on social events and other contingent work from credit (48.57) and high interest rate in delay repayment of credit (47.85). This finding is similar to the findings of Thakur and Barman (2013); Bista *et al.* (2012); Kumar *et al.* (2011) and Meena and Reddy (2013).

Suggestions for enhancing the utilization of Kisan Credit Card

In the presented study the beneficiaries of Kisan Credit Card were asked to suggest the ways/means for enhancing the utilization of Kisan Credit Card.

Table 2 indicates that the important suggestions offered by the respondents for betterment of operation and utilization of Kisan Credit Card were as flexibility in use of branch (49.28), sufficient credit limit (47.85), motivation from officials (47.14), loaning procedure should be easier (45.00), there should be proper linkage between agricultural expert and beneficiaries (43.57), premium of repayment should be minimum (42.14), repayment and recovery provision should be flexible (40.71), availability of irrigation and electricity at critical time (37.85), skill oriented crop production training programmes (35.00) and effective planning and implementation of P.M.F.B.Y. (32.85). This finding is

similar to the finding of Rajkumar (2007) and Parwate *et al.* (2012).

Authors' affiliations :

Sanjay Singh and Dharmendra, Department of Extension Education, College of Agriculture (J.N.K.V.V.), Rewa (M.P.) India

Rameshwar Kumar, Department of Agricultural Economics and Farm Management, College of Agriculture (J.N.K.V.V.), Rewa (M.P.) India

REFERENCES

- Bista, D.R.**, Kumar, P.K. and Mathur, V.C. (2012). Progress and performance of Kisan Credit Card scheme with a case study of Bihar. *Agric. Econ. Res. Rev.*, **25** (1) : 125-135.
- Kumar, A.**, Yadav, C., Jee, S., Kumar, S. and Chauhan, S. (2011). Financial innovation in Indian agricultural credit market: Progress and performance of Kisan Credit Card. *Indian J. Agric. Econ.*, **66** (3): 418-428.
- Meena, S.S.** and Reddy, G.P. (2013). A study on growth, performance and impact of Kisan Credit Card on farmers income in rajasthan-an economic approach, *J.Res ANGRAU*, **41** (3):75-81.
- Parwate, P.**, Sharma, M.L. and Maske, M. (2012). A study on utilization pattern of Kisan Credit Card (KCC) among the farmers in Raipur district of Chhattisgarh. *Internat. J. Agron. & Plant Prod.*, **3** (2): 54-58.
- Rajkumar, P.K.** (2007). The success of farmers Credit Card (Kisan Credit Card) scheme in India. *Indian Econ. Pano.*, **17**(2), July 2007.
- Thakur, A.** and Barman, U. (2013). Reasons for poor performance of disbursement of Kisan Credit Card and recovery of loan under the scheme in Assam A qualitative study. *J. Academia & Industrial Res.*, **2** (1) : 16-20.

14th
Year
★★★★★ of Excellence ★★★★★