



FACTORS INFLUENCING THE FARMERS TO AVAIL AGRICULTURE CREDIT SANCTIONED BY VARIOUS FINANCIAL INSTITUTIONS IN SIVAGANGA DISTRICT

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ABSTRACT

Agriculture credit plays an important role in the development of the Indian economy. The prosperity of the country depends up on the agriculture sector. Bankers play a major role in providing agricultural credit to the farmers. Lack of finance is one of the fundamental problems in agricultural productivity and income of rural farmers. This paper mainly focuses on factors influencing the farmers to avail agriculture credit sanctioned by various financial institutions in sivagangai district. A Proportionate random sampling method was used to select the banks and convenience sampling method has been adopted to select the respondents to collect data from 70 farmers by using a structured interview schedule. The result of the study showed that, Insurance schemes, Any time service, easy installment, low interest rate, bankers approach and speed disbursement of loan are considered as the most important influencing factors to avail agriculture credit by the farmers.

KEYWORDS : Agriculture credit, Farmers, Finance, Agricultural Productivity

1.1 INTRODUCTION:

In India agriculture contributes one-third of the national income. Sixty percent of the export directly or indirectly originates from agriculture sector. It provides employment to 67 percent of the work force. Employment in the sector can be enhanced when its productivity is raised. There is considerable scope for improving the productivity, if agricultural productivity is doubled or made optimum, it will give a boost to the secondary and tertiary sectors. It plays a decisive role in economic development and planning and provides various industrial and service sectors. Finance is one of the major critical inputs for agricultural development. It capitalizes farmers to undertake new investments and to adopt new technologies. Finance in agriculture is important for the application and development of technologies. Technical inputs can be purchased and used by farmers only if sufficient money (funds) is available with farmers. Most of the time, farmers suffer from the problem of inadequate financial state. The requirements of finance in agricultural sector, very few farmers will have adequate capital of their own to invest in agriculture. With the passing of Reserve Bank of India Act 1934, District Central Cooperative Banks and Land Development Banks, agricultural credit received impetus and there were improvements in agricultural credit. Commercial banks, Regional Rural Banks and co-operative bank play a major role in providing agricultural credit.

1.2 REVIEW OF LITEARTURE:

Tanveer Hussan (2012)¹, in his thesis, " factors influencing demand for credit from formal and Informal sources in Gujranwala district , Pakistan - A case of commercial banks", he examined the effects of social and economic factors on credit demand of rice growers from farmers and banks in Gujranwala district, Pakistan. The data collected from 313 randomly selected loan beneficiaries (rice growers), were analyzed by using multiple regression, t-test, percentages and frequency distributions. It was concluded that factors which showed significant results in both sources banks and farmers farm size, income level, time requirement and paybackperiod

Prince M. Etwire (2013)², in his article "Factors Influencing Farmer's Participation in Agricultural Projects: The Case of the Agricultural Value Chain Mentorship Project in the Northern Region of Ghana" Farmers' participation in agricultural projects has a direct bearing on technology awareness, adoption, livelihoods, environment, nutrition, poverty, performance of the agricultural sector and the macro

economy. This study therefore sought to identify factors, which delimitate farmer's participation in agricultural projects using the case of the Agricultural Value Chain Mentorship Project. A multi-stage sampling technique was employed to collect cross sectional data from 180 farmers in the Saboba and Chereponi districts of the Northern Region of Ghana.

Selvaraj N¹, Balajikummar P²(2015)³, in his study on the Role of Commercial Banks in Providing Agricultural Credit in Tamil Nadu (Extent and Factors Influencing Investment) – India: A View pointed out that agriculture plays a crucial role in the development of the Indian economy. The study examines that Capital investment in agriculture was made by farmers in various forms, such as farm lands, bunding and other land improvements including land reclamation, farm equipment, farm buildings, livestock, irrigation, poultry, storage arrangements and transport equipment. An attempt has been made in this paper to find out the extent of capital investment in agriculture made by the sample farmers and the factors that had influenced the capital investment in agriculture. Finally in this paper the researcher suggested that there should be an increase in the levels of investment made by the farm households engaged in the agricultural sector and more particularly by the small farmers.

1.3 STATEMENT OF THE PROBLEM:

The main problem of farmers of sivagangai district is scarcity of water. Most of the time small farmers are facing difficult situations which make them unable to continue their farming. In order to continue the agriculture activities they are always in need of credit for the purchase of seeds, fertilizers and others agricultural inputs. In Sivagangai district, some farmers borrow money from lenders. There are two types of sources for borrowing capital. One is formal which include RRBs, Commercial banks, and Co-operative banks, which provide short term, medium term and long term agricultural loans to farmers. The informal sources consists of relatives, friends, village shopkeepers etc. Banks play major role providing agricultural credit to the farmers. The main aim of the study is to check and analyze the factors influencing the farmers to avail agriculture credit sanctioned by various financial institutions in sivagangai district.

1.4 OBJECTIVES OF THE STUDY

The following are the objectives of the study

- To know the conceptual framework of agricultural credit.
- To examine the various factors influencing the farmers to avail agriculture credit sanctioned by various financial

Institutions in sivagangai district.

- To offer suggestions for effective utilization of agriculture credit.

1.5 RESEARCH METHODOLOGY:

1.5.1 Research Design:

The research carried out by the researcher is both descriptive and analytical in nature. This type of research is mainly concerned with description of facts. This study is called descriptive since it describes the factors influencing the farmers to avail agriculture credit sanctioned by various financial institutions in sivagangai district.

1.5.2 Study unit of Research:

The researcher selected sivagangai district as study area.

1.5.3 Population for the study:

The present study was carried out with the objective to find out the factors influencing the farmers to avail agricultural credit sanctioned by various financial institutions in sivagangai district. The researcher has selected the financial institutions, on the basis of the taluks which have higher number of bank branches in sivagangai district. Regarding commercial banks, top five banks were selected namely SBI, Indian overseas bank, Indian Bank, Canara bank, and HDFC bank. The financial institutions were selected on the basis of those who provided more number of agricultural credit. In the case of RRB, Pandiyan gramma bank, which is the only RRB functioning in sivagangai district is considered. Despite different types of co-operative banks are functioning in sivagangai district, only the primary agricultural co-operative banks were selected since they play a major role in providing agriculture credit and PACS have more number of bank branches when compared to other co-operative banks in sivagangai district. In sivagangai district, the sample bank branches were selected from sivagangai and Karaikudi taluks based on the number of branches.

Table No.1.1 List of bank branches in Sivagangai district

S.NO	BANK NAME	BRANCHES	TOTAL
1	Indian Bank	38	253
2	Indian Overseas Bank	22	
3	State Bank of India	21	
4	Canara Bank	12	
5	HDFC Bank	3	
6	Pandiyan Gramma Bank	32	
7	Primary Agricultural Co-operative Bank	125	

Sources: Primary data

1.5.4 Sample Size:

The ultimate sample size for the study is 70, which has been determined by the following formula.

Sample Size Calculation:

$$n = [Z^2 * (p * q) / d^2]$$

where: n = s.s

p = expected precision

q = 1-p (expected non-precision)

d = relative desired precision

The total sample size for the study is 70.

In Karaikudi taluk, the researcher has chosen four public sector banks and one private sector banks such as Indian Overseas Bank, Indian Bank, SBI, Canara bank and HDFC bank. In Karaikudi taluk, IOB has 16 branches, Indian bank has 6 branches, SBI has 2 branches, canara bank has 4 branches and HDFC bank has one branch. Out of all branches, one branch has identified from each bank and 10 customers were randomly selected. From the selected branches totally 50 customers were randomly selected from

commercial banks.

In Sivagangai taluk, the Pandiyan Gramma bank has 8 branches and Primary Agriculture Co-operative bank has 125 branches in sivagangai taluk. Out of all branches, one branch has identified from each bank and 10 customers were randomly selected.

Table No.1.2 Samples Drawn from Various Bank Branches of Sivagangai District

Taluk	Bank Name	Branch	Customer
Karaikudi	SBI	Karaikudi branch	10
Karaikudi	Canara Bank	Karaikudi branch	10
Karaikudi	Indian Bank	Karaikudi college road branch	10
Karaikudi	IOB	Karaikudi College road branch	10
Karaikudi	HDFC	Karaikudi branch	10
Sivagangai	Pandiyan Gramma Bank	Natrasankottai branch	10
Sivagangai	PACS	Natrasankottai branch	10

Sources: Primary data

1.5.5 Sampling Method:

The sampling method adopted for the data collection was both probability and Non- probability method. Since the sampling frame is known, proportionate stratified random sampling method has been adopted to select the bankers from the defined population. As the sampling frame is unknown a non-probability convenience sampling has been adopted to select the farmers.

1.5.6 Sources of data:

This study consists of both the primary and secondary data. The primary data were collected through interview schedule from the farmers who visited the banks. Required secondary data for the study were collected from Journals, Magazines, Books, and RBI Reports.

1.6 DATA ANALYSIS AND INTERPRETATION:

1.6.1 Profile of the Farmers in sivagangai District

Table 1.3 Demographic Profile of the respondents

S. NO	Variable	Classification of Variable	Frequency N=70	Percentage
1	Age of the Farmers	Less than 30 years	10	14%
		30 to 40 years	27	39%
		41 to 50 years	12	17%
		51 to 60 years	13	19%
		Above 60 years	8	11%
2	Residence	Rural	43	61%
		Urban	-	-
		Semi-urban	27	39%
3	Years of experience in the field of Agriculture	Less than 5 years	21	30%
		5-10 years	24	34%
		11-15 years	10	14%
		16-20 years	15	21%
		Above 20 years	-	-
4	Source of borrowed Finance	Commercial Banks	50	72%
		Regional Rural Banks	10	14%
		Co-opearative Banks	10	14%
		NBFC	-	-
		Money Lender	-	-

5	Land Holding Type	Owned Land	34	49%
		Leased Land	12	17%
		Rental Land	24	34%
6	Type of Farmers	Small	34	49%
		Medium	27	39 %
		Large	9	12%
7	Number of times cultivation in a year	Once	38	54%
		Twice	32	46%
		Thrice	-	-

Source: Primary data (Software used: SPSS 23.0)

1.3.1. Age of the Farmers

Age of the farmers plays the major role in agricultural credit. An Agricultural credit can get by the farmers from the various financial institutions only after the completion of 18 years. Age is one of the most important factor for human living and age also serves as a yard stick to participate or discontinue any occupation or profession. From the table 1.3.1, it is understood that 39% of the farmers are in the age of 30 to 40 years, 19% of the farmers are in the age of 51 to 60 years, 17% of the farmers are in the age of 41 to 50 years, 14% of the farmers are less than 30 years of age and 11% of the farmers are in the age of above 60 years. Therefore majority of the farmers are in the age between 30 to 40 years. Due to the availability of credit facility and government subsidies, the middle age group of people have motivated. It has increased the farmers towards the agricultural activities. Majority of the farmers are falling between the age group of 30 to 40 years.

1.3.2. Geographic area of Location

Residence is most important factor for the agricultural purpose. People all over the world have been divided into three distinct groups such as Rural, Urban and Semi urban. The table 1.3.2 shows that 61% of the farmers belong to rural area, followed by 39% are in the semi urban area. Majority of the farmers are doing agriculture activities in rural areas. Because, Nowadays in urban areas the land are used for the infrastructure development, and building construction dams and so on. Therefore, majority of the farmers are belong to rural areas.

1.3.3. Years of Experience in agricultural activities

Farming experience indicates how long the farmers have been in agricultural field. It is acquired over a period of time experience leads to knowledge and patience which gives them strength to face problems. Experience in the field of agricultural activities is the most important factor for cultivating different crops. Experienced farmers can get more yield per acre. In order to know the experience of the farmers the researcher has classified the experience of the farmers in the terms of the years such as below 5 years, 5-10 years, 11-15, 16-20 and above 20 years. The table 1.3.3 highlights that 34% of the farmers have 5-10 years experience in the field of agriculture, 30% of the respondents have less than 5 years experience in the field of agriculture, 21% of the farmers have 16-20 years experience in the field of agriculture, and remaining 14% of the farmers have 11-15 years experience in the field of agriculture. Therefore, Majority of the farmers have 5-10 years experience in the field of agriculture.

1.3.4. Source of borrowed Finance

Financial institution plays major role in providing agriculture credit. Finance is the one of the most important part of any business. Now days farmers are dependent on agricultural credit from both financial and non-financial institutions. Agricultural credit will increase the agricultural productivity. The table 1.3.4 inferred that 72% of the farmers are borrowed loan from commercial banks, another 14% of the farmers are borrowed loan from Primary Agricultural Co-operative Bank and 14% of the farmers are borrowed loan from Regional Rural banks.

1.3.5. Land holding type

Land is the fundamental means of production in a agrarian society without which no agricultural production can take place. An understanding the pattern of ownership and operational holdings of land is the central importance to an understanding of the agrarian class structure. The table 1.3.5 shows that 49% of the farmers are using owned land, 34% of the farmers are using rental land and remaining 17% of the farmers are using leased land. Therefore, Majority of the farmers are having own land, because they are cultivating traditionally.

1.3.6. Type of farmers

Farmers are the major players in agriculture activities. Farmers can be classified in to three categories such as small farmers, medium farmers and large farmers. The table 1.3.6 shows that 49% of them are small farmers, 39% of them are medium farmers and remaining 12% of them are large farmers. From the table researcher can analysis that majority of the small farmers are involved in agriculture activities.

1.3.7. Times of Cultivation in a year

In the ancient stage, crop was cultivated thrice a year because of regularity of rain water and scarcity of rain water. So the ancient farmers earned more yield from their cultivation. The present climate is different and has highly affected the crop cultivation. The table 1.3.7 shows that 78% of them farmers are cultivating once in the years and 22% of them are cultivating twice in the years. Therefore, Majority of them are cultivating once in a year.

1.6.2 FACTORS INFLUENCING THE FARMERS TO AVAIL AGRICULTURAL CREDIT SANCTIONED BY VARIOUS FINANCIAL INSTITUTIONS: FACTOR ANALYSIS:

Factor analysis is a technique that is used to reduce a large number of variables into fewer numbers of factors. Factor analysis extracts maximum common variance from all variables and puts them into a common score. Table 1.4 explains two test they are Kaiser – Mayer – Olkin (KMO) measures of sampling adequacy and Bartlett's test of sphericity. It gives the statistics of KMO, Bartlett's test of sphericity and chi-square analysis of association, degrees of freedom and the probability value.

Table 1.4 Motivational Factors Kaiser – Mayer – Olkin (KMO) Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.741
Bartlett's Test of Sphericity	Approx. Chi-Square	520.731
	Df	70
	Sig.	.000

Source: Primary Data

Table 1.4 Shows that the KMO Value of 0.741, which indicates that the degree of common variance among the variables is quite high, therefore factor analysis can be conducted.

1.6. 3 FACTORS INFLUENCING THE FARMERS TO AVAIL AGRICULTURAL CREDIT SANCTIONED BY VARIOUS FINANCIAL INSTITUTIONS - PRINCIPLE COMPONENT ANALYSIS:

The principle component analysis has been administered for grouping the factor of various factors influencing the farmers to avail agricultural credit sanctioned by various financial institutions. It is a method of data reduction. The proportion of the variance of a particular item due to common factor is called as communality. The initial value of the communality in a principle component analysis is 1. The factors influencing the farmers to avail agricultural credit involved in the

component column. The extraction communalities estimate the variance in each variable accounted for the factors in the factor solution. The value is less than .5 which indicates the variables that do not fit well with the factor solution and should possibly be dropped from the analysis. Table 1.4 shows that extraction value of the respondents' factors influencing the farmers to avail agricultural credit sanctioned by the various financial institutions in sivagangai district.

Table 1.5 Factors influencing the farmers to avail agriculture credit - Communalities

Components	Initial	Extraction
Comparatively low interest rate	1.000	.744
Quick Sanctioning process	1.000	.628
No service charges	1.000	.641
Easy to fulfill loan security Norms	1.000	.654
Easy installment	1.000	.674
Nearer to residence	1.000	.725

Bankers approach	1.000	.747
Corruption free	1.000	.751
No Unnecessary Torture due to default in repayment	1.000	.841
Liberal financing	1.000	.647
Convenience & Greater Accessibility	1.000	.672
Insurance schemes are available	1.000	.688
Any time service	1.000	.789
Rate of Interest	1.000	.842
Speedy disbursement of loan	1.000	.800

Source: Primary Data

Table 1.5 explicits the variance of the fifteen variables ranging from .600 to 0.800. It shows that the fifteen variables exhibit the considerable variance from 60 percent to 80 percent. Hence it could be concluded that all these variables are capable of segmenting themselves with respect to the factors influencing the farmers to avail agricultural credit sanctioned by various financial institutions to form the predominant factors.

Table 1.6 Factors influencing the farmers to avail agricultural credit – Total Variance

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.012	20.081	20.081	2.472	12.476	14.476
2	1.990	13.268	33.350	2.871	10.473	11.949
3	1.657	11.047	44.397	1.554	12.877	13.826
4	1.358	9.056	53.453	1.641	10.804	10.631
5	1.297	8.643	62.096	1.541	10.334	14.964
6	1.137	7.582	69.678	1.520	9.714	69.678
7	.840	5.597	75.276			
8	.728	4.853	80.129			
9	.618	4.118	84.247			
10	.541	3.610	87.857			
11	.506	3.372	91.228			
12	.444	2.959	94.187			
13	.394	2.626	96.813			
14	.295	1.966	98.779			
15	.183	1.221	100.000			

EXTRACTION METHOD : Principal Component Analysis

Source: Primary Data

As could be seen from the Table 1.6 Eigen values are greater than one for four factors. From this one, it is confirmed that, the fifteen motivational factors are grouped into Six predominant factors. The rotated sum of squared loading should be greater than 50 percent. The fifteen variables are reduced in to six predominant factors with the individual variances of 14.476, 11.949, 13.826, 10.631, 10.334, and 9.714. It is also found that the total variance of 15 variables is found to be 69.678 percent which is greater than the benchmark of 60 percent. Moreover it confirms that the factor segment is the meaningful one.

1.6.7 Factors influencing the farmers to avail agriculture credit sanctioned by various financial institutions – Rotated component Matrix:

The rotated sum of square value indicates the cumulative percentage of variances is 69.678. Hence the factorization is more suitable for the factors influencing towards agricultural credit. Table 1.7 explains the value of rotated component matrix for the factors influencing towards agricultural credit.

Table 1.7 Factors influencing the farmers to avail agricultural credit- Rotated component matrix

Factors	Component					
	1	2	3	4	5	6
Comparatively low Interest Rate	.814					
No Service Charges	.786					
Rate of Interest	.649					

Easy to fulfill loan security Norms	.621				
Quick Sanctioning Process	.682				
Easy Installment	.854				
Bankers Approach		.745			
Convenience & Greater Accessibility		.641			
Liberal Financing			.749		
Any time service			.852		
Insurance schemes are available				.847	
Corruption free					.638
Nearer to residence					.634
No unnecessary torture					.752
Speedy disbursement of loan					.757

Rotation Method: Varimax with Kaiser Normalization.

1. Customer service

First factor consist of three variables namely comparatively low interest rate (.814), No service charges (.786), Rate of Interest (.649) and all these factors are considered as "customer service". Among these three factors low interest rate is the most influencing factor to avail agriculture credit sanctioned by financial institutions. Interest rate is the most important factor considered by the farmers. Financial institutions provide less rate of interest compared to Non-financial institutions. To borrow the agriculture credit from banks interest rate is one of the factor considered by the farmers.

2. Timely service

The second factor consists of three variables quick sanctioning process (0.621), Easy to fulfill loan security Norms (.682), easy Installment (0.854) and all these factors are termed as "Timely service". Among these factor easy installment is the most influencing factor to avail agriculture credit sanctioned by financial institutions. Easy installment is another factor considered by the farmers to repay the loan. Therefore, the most influencing factor to avail agriculture credit sanctioned by various financial institutions.

3. Liberal procedures

The third factor consists of two variables Bankers Approach (0.745), Convenience & Greater Accessibility (.641) and all these factors are termed as "Liberal Procedures". Among these three factors bankers approach is the most influencing factor to avail agriculture credit sanctioned by financial institutions. Bankers approach is most important factor considered by the farmers whenever the farmers went to banks their approach should be in good. Because majority of the farmers are illiterate so they are not able to understand loan security procedures. Farmers are always need help from bankers. Therefore, bankers approach is the most influencing factor to avail agriculture credit sanctioned by banks.

4. Easy processing

The fourth factor consists of Liberal Financing (0.749), any time service (0.852) and all these factors are termed as "Easy processing". Among these two factors, any time service is the most influencing factor to avail agriculture credit sanctioned by financial institutions. Farmers are always expect the banks to provide any time service.

5. Convenience

The fifth factor consists of Insurance schemes are available (0.847), Corruption free (.638), Nearer to residence (0.634) and all these factors are termed as "Convenience". Among these three factors Insurance scheme is the most influencing factor to avail agriculture credit sanctioned by financial institutions. The least influencing factor is nearer to residence.

6. Bankers Approach

The sixth factor consists of No unnecessary torture due to default in repayment of loan (0.752), Speedy disbursement of loan (.757), and all these factors are termed as "Bankers Approach". Among these two factors Banker approach is the most influencing factor to avail agriculture credit sanctioned by financial institutions.

Therefore, from the above table it can be grouped into 6 variables. The most influencing factor to farmers such as low interest rate, easy installment, Any time service, Insurance schemes and bankers approach. The least factors influencing the farmers to avail agriculture credit is quick sanctioning process, Convenience, Nearer to residence, corruption free, and No unnecessary torture due to non-repayment of loan.

1.7 FINDINGS OF THE STUDY:

Findings related to Percentage analysis

1. The results indicate that about 14% of the farmers are in the age of less than 30 years and 86% of the farmers are above 30 years. It is inferred that the most of the farmers are doing agricultural activities are in the age of 30 to 40 years. Therefore, Middle age group people are involved in agriculture activities.
2. The results show that about 61% of the farmers belong to rural area, 39% of the respondents belong to semi-urban areas. In urban areas, land are used for the infrastructure development. Therefore, majority of the farmers are belong to rural areas.
3. It has been inferred that 34% of the farmers have 5-10 years experience in the field of agriculture, 30% of the

farmers have less than 5 years experience and 36% of the farmers have above 10 years experience in the field of agriculture. Therefore, Majority of the farmers have 5-10 years experience in the field of agriculture.

4. It is observed that 72% of the farmers are borrowed loan from commercial banks and remaining 28% of the farmers are borrowed loan from PACS and Regional Rural banks.
5. It is found that 49% of the farmers are using owned land, 34% of the farmers are using rental land and remaining 17% of the farmers are using leased land. Therefore, Majority of the farmers are using own land for agriculture purpose.
6. It is observed that 49% of them are small farmers, 39% of them are medium farmers and remaining 12% of them are large farmers. Therefore, Majority of the small farmers are involved in agriculture activities.
7. It is inferred that 78% of them farmers are cultivating once in the years and 22% of them are cultivating twice in the years. Therefore, Majority of them are cultivating once in a year. Due to the present climate the farmers are cultivating once in a year.

Findings related to Factor analysis

8. From the factor analysis it is inferred that, the variables are grouped under six categories namely (1) customer service (2) Timely service (3) Liberal procedures (4) Easy processing (5) Convenience and (6) Bankers approach. The result of the factor analysis showed that, Insurance schemes, Any time service, easy instalment, low interest rate, bankers approach and speed disbursement of loan is the most important influencing factors to the farmers to avail agriculture credit. The least factors influencing the farmers to avail agriculture credit is quick sanctioning process, Convenience, Nearer to residence, corruption free, and No unnecessary torture due to non-repayment of loan. From the factor analysis, it can understood that loan security norms variable are not influencing to the farmers.

1.8 SUGGESTIONS:

Based on the above findings the suggestions are given below:

Suggestions to Bankers:

- It is highly recommended that bankers should create awareness among the younger age group people to involve agriculture activities.
- Financial institutions
- Primary Agricultural Co-operative bank can increase the agricultural loan amount to the farmers it will be helpful to the rural farmers.
- Large farmers are investing the amount in infrastructure development. So bankers can motivate the large farmers to invest agriculture purpose.
- Reduce the rate of interest in commercial banks because it is higher compared to Regional Rural banks and co-operative banks.
- The financial institutions may simplify the loaning procedure.
- Increase the bank branches at rural areas.

Suggestion to farmers:

- Increase the repayment period for agriculture credit.
- Bankers must have good contact with the farmers' especially small & marginal farmers.
- Government should provided subsidy to the loss of crop and % of subsidy should be increased.

1.9 CONCLUSION:

Agriculture plays an important role in the economic development of India. Agriculture credit helps the farmers to improve the agriculture productivity. This paper examined the different factors influencing the farmers to avail agriculture credit. The result of the study showed that, Insurance schemes,

Any time service, easy installment, low interest rate, bankers approach and speed disbursement of loan is the most important influencing factors the farmers to access agriculture credit. The least factors influencing the farmers to access agriculture credit is quick sanctioning process, Convenience, Nearer to residence, corruption free, and No unnecessary torture due to non-repayment of loan. But most least factor influencing the farmers is loan security norms. Bankers can give some suggestions to the farmers to overcome the loan security procedures.

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