



## A STUDY ON PERFORMANCE OF PRIMARY AGRICULTURAL COOPERATIVE CREDIT SOCIETIES IN THIRUVANNAMALAI DISTRICT TAMIL NADU.

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**ABSTRACT** RBI started special department for the development and growth of Co-operative credit Societies, farmer can get the credit from the primary agriculture credit co-operative society. These societies are working for farmer, by the farmer. India has only four month rainy season in a year. During that time the credit deliver a significant role for the cultivation of agriculture. In 1912, the Co-operative Societies Act was enacted which permitted the registration of non-credit co-operative societies as well. These societies are affiliated by the District Co-operative Central banks and the district Central co-operative banks are affiliated by the State Co-operative banks. Primary agriculture co-operative credit societies are providing the short and medium term loans for the farming purposes. In the field of cooperation, the Primary Agricultural Cooperative Credit Societies (PACCS) provide mainly short term and medium term loan to the rural people and meet the financial requirements of more than 121 million members in 2010-11.

**KEYWORDS :** Growth of loan, outstanding, Recovery of loan, Short term, Medium term, Jewel loan

The agricultural sector of India has grown up since independence but after green revolution in agriculture got an express speed for its development. Though there are so many problems arise in agriculture after independence. Like water resources was very limited, seed qualities was not good, availability of fertilizer was less than the requirement etc. Over all in many problems, there was a significant problem of credit for agriculture. More than seventy five percent agriculturist was receiving the credit from money lenders for their agricultural cultivation. The rate of interest was very high and so the people couldn't survive their economic position. Farmer wanted some method for to solve this problem.

### Primary Agricultural Cooperative Credit Societies

The cooperative movement began in India as a move to provide credit to release the rural community from the clutches of moneylenders. RBI started special department for the development and growth of Co-operative credit Societies, farmer can get the credit from the primary agriculture credit co-operative society. These societies are working for farmer, by the farmer. India has only four month rainy season in a year. During that time the credit deliver a significant role for the cultivation of agriculture. In 1912, the Co-operative Societies Act was enacted which permitted the registration of non-credit co-operative societies as well. Accordingly primary agricultural cooperative credit societies (PACCSs) were assigned the role of providing agricultural credit to farmers, distributing critical agricultural inputs like seeds, fertilizers, pesticides, agricultural implements and machinery. The ST structure has at its base the Primary Agricultural Cooperative Credit Societies (PACCS). These societies are affiliated by the District Co-operative Central banks. And the district Central co-operative banks are affiliated by the State Co-operative banks. Primary agriculture co-operative credit societies are providing the short and medium term loans for the farming purposes.

### Objectives

To study the growth of loan and recovery of credit in the selected primary agricultural credit societies in Thiruvannamalai district during the period 2001-2002 to 2011-2012.

### Methodology

This study aims at analyzing the performance of agricultural credit provided by the primary agricultural cooperative credit societies in Thiruvannamalai district. This study relates to macro level analysis of performance of agricultural credit societies in two sampling blocks namely Thanrampattu and Kalasappakkam. The performance could be examined in terms, growth of agricultural credit, loan outstanding and recovery of credit by the primary agricultural credit societies in Thiruvannamalai district during the period 2001-2002 to 2011-2012. The above aspects of analysis could be carried out on the basis of secondary data analysis. The necessary data are collected from the reports of the primary agricultural credit societies.

**Table-1 Growth of loan in Primary Agriculture Primary Cooperative Credit Society (Rs. In lakhs)**

Year	Kalasappakkam			Thanrampattu		
	Short term loan	Medium term loan	Jewel loan	Short term loan	Medium term loan	Jewel loan
2001-02	87.97	1.44	10.00	21.82	N.A.	50.90
2002-03	97.44	11.49	2.87	12.87	3.82	45.54
2003-04	116.77	9.47	8.65	14.78	1.41	27.20
2004-05	24.67	56.18	3.05	56.91	N.A.	27.60
2005-06	30.80	3.61	3.27	39.33	N.A.	59.38
2006-07	81.04	N.A.	35.52	32.05	N.A.	68.19
2007-08	56.65	14.30	61.59	40.55	1.13	100.55
2008-09	83.17	14.30	29.93	42.97	1.80	120.19
2009-10	91.73	14.30	73.18	96.84	N.A.	284.52
2010-11	82.51	19.75	73.65	168.37	6.40	511.37
2011-12	24.17	0.25	115.15	281.15	1.12	898.89
CV	44.89	109.98	100.12	108.55	86.97	145.68
<b>Growth rate</b>	<b>-11.08</b>	<b>-13.58</b>	<b>24.88</b>	<b>26.16</b>	<b>-10.55</b>	<b>31.97</b>

source: PACCS in Thiruvannamalai DT note: N.A. Not Available

Table 1 shows that the growth of loan in primary agricultural cooperative credit society reveal the following facts. The primary agricultural cooperative credit society at Thanrampattu block has 31.97 per cent growth in jewel loan provision and it is 24.88 per cent in the case of primary agricultural cooperative credit society at Kalasappakkam block during the period 2001-2002 to 2011-2012. The growth of short term loan provision becomes negative in the case of primary agricultural cooperative credit society at Kalasappakkam block and it is positive growth in primary agricultural cooperative credit society at Thanrampattu block. In general the performance of primary agricultural cooperative credit society at Thanrampattu block is better in terms of provision of short term loan and jewel loan in the period of analysis.

**Table 2 Growth of outstanding loan in Primary Agricultural Cooperative Credit Societies (Rs. In lakhs)**

Years	Kalasappakkam			Thanrampattu		
	Short term loan	Medium term loan	Jewel loan	Short term loan	Medium term loan	Jewel loan
2001-02	96.22	33.14	37.14	37.18	15.12	39.38
2002-03	158.67	24.00	11.20	37.41	14.12	33.37
2003-04	22.44	31.07	8.87	41.86	13.56	19.74
2004-05	29.06	25.15	4.52	46.02	10.61	22.07
2005-06	46.37	234.61	3.77	57.69	4.00	45.01
2006-07	77.51	20.52	14.52	32.05	4.82	44.78

2007-08	43.78	23.96	9.60	43.14	5.79	82.80
2008-09	15.97	25.80	43.78	60.86	6.01	99.08
2009-10	97.57	27.50	68.96	93.40	2.39	214.04
2010-11	116.31	30.91	88.81	143.88	6.87	343.01
2011-12	175.95	68.04	102.83	202.33	3.65	663.65
CV	68.18	126.67	100.44	75.11	61.21	141.49
<b>Growth rate</b>	<b>5.64</b>	<b>6.76</b>	<b>9.70</b>	<b>16.65</b>	<b>-12.12</b>	<b>29.28</b>

Source:PACCS in Thiruvannamalai DT

Table 2: The findings of Growth of outstanding loan in primary agricultural cooperative credit societies examine the following facts. The primary agricultural cooperative credit society at Thanrampattu

block has 29.28 per cent growth in outstanding jewel loan and it is 9.70 per cent in the case of primary agricultural cooperative credit society at Kalasappakkam block during the period 2001-2002 to 2011-2012. The growth of outstanding short term loan shows 5.64 per cent growth in primary agricultural cooperative credit society at Kalasappakkam block and it is 16.65 per cent growth in primary agricultural cooperative credit society at Thanrampattu block. In general the outstanding jewel loan amount is more than 6 times higher in primary agricultural cooperative credit society at Thanrampattu block and then the primary agricultural cooperative credit society at Kalasappakkam block. The outstanding medium term loan amount is quite low in primary agricultural cooperative credit society at Thanrampattu block and in the case of short term loan the primary agricultural cooperative credit society.

Table 3 Details of Recovery of loans

Kalasappakkam							Thanrampattu					
Types	S.T.Loan		M.T.Loan		J..Loan		S.T.Loan		M.T.Loan		J..Loan	
Year	Demand	collected	Demand	collected	Demand	collected	Demand	collected	Demand	collected	Demand	collected
2001-02	112.22	76.25	77.74	76.25	36.44	18.14	50.44	29.52	23.32	9.75	59.49	59.50
2002-03	77.61	50.91	24.79	1.52	8.00	6.90	40.01	12.65	18.02	4.82	55.39	51.54
2003-04	272.10	253.00	33.99	2.92	N.A.	0.83	37.11	10.33	13.91	1.97	41.76	40.83
2004-05	38.31	18.11	56.48	23.34	7.70	7.38	52.74	52.75	13.37	2.95	32.87	34.92
2005-06	33.70	13.50	42.15	20.45	6.93	4.03	47.08	27.66	11.43	6.61	36.44	36.44
2006-07	N.A.	49.90	N.A.	N.A.	7.18	6.47	57.69	57.69	4.82	N.A.	68.42	68.42
2007-08	40.61	37.93	14.89	1.67	9.10	8.78	32.81	29.46	9.22	4.56	68.60	62.73
2008-09	N.A.	13.21	16.49	3.28	13.24	12.34	48.63	30.20	6.35	1.58	109.85	103.72
2009-10	18.86	47.58	16.49	4.73	47.50	46.73	71.53	64.30	6.01	3.52	168.95	168.95
2010-11	95.18	57.32	44.73	13.47	85.52	58.77	121.26	117.90	3.64	2.02	386.73	384.01
2011-12	110.55	83.68	63.06	25.01	155.68	119.82	222.69	223.70	1.67	4.33	577.25	577.25
C.V	247.21	105.04	55.60	131.67	129.18	136.98	92.80	113.29	65.23	59.63	143.86	144.99
Growth rate	-0.16	0.85	-1.88	-9.64	14.11	18.72	14.45	20.17	-21.31	-7.11	22.95	22.95

Source:PACCS in Thiruvannamalai DT

Note:N.A Not Available, ST Short Term ,MT Medium Term, JL Jewel loan

The findings of details of the recovery of short term loans indicate the following facts. The recovery demand of medium term loan and collected level of medium term loan is higher in the primary agricultural cooperative credit society at Kalasappakkam block and lower in the primary agricultural cooperative credit society at Thanrampattublock.

The findings of details of the recovery of jewel loans show the following facts. The primary agricultural cooperative credit society at Thanrampattublock has good performance in recovery of jewel loans both in terms of demanded level and collected level during the period 2001 - 2002 to 2011 - 2012. The performance of the primary agricultural cooperative credit society at Kalasappakkam block is quite discouraging in collection and demanded level of recovery of jewel loan during the period 2001 - 2002 to 2011 - 2012.

#### Suggestions

The findings of the present study lead to the following suggestive remarks.

1. There is a need to provide proper information about the time of repayment as some of the farmers are not aware of the time of repayment.
2. The agricultural cooperative credit society should give counseling to the farmers about the loan utilization, under finance should be removed, and formalities to be relaxed
3. The agricultural cooperative credit society should avoid the bias while borrowing and repaying the loans on the part of the farmers.
4. Efforts should be made towards relaxation of security and bribes should be avoided in the administration in granting loan to the farmers
5. The agricultural cooperative credit society should increase the number of times to avail the credit facilities in different cropping seasons according to the needs of the farmers.
6. The agricultural cooperative credit society management should promote friendly attitude between borrowers and cooperative

management.

7. The agricultural cooperative credit society management should motivate the farmers towards repayment of loan.
8. The agricultural cooperative credit society management should give lump sum loan amount instead of installment and loan should be given in right time.

#### Conclusion

The present study has made an attempt to examine the Performance of Agricultural Credit With Reference To Primary Agricultural Credit Societies in Thiruvannamalai District. The role of primary agricultural credit societies is very essential in promotion of agricultural credit and it is evident from the growth of short term loan, medium term loan and jewel loan in the study area. The performance of agricultural credit society is quite remarkable in Thanrampattu block and it is low in the case of Kalasappakkam block in terms of recovery of loan. In this study area, the farmers have cultivated different crops with the aid of agricultural cooperative credit. In general majority of the farmers partially repaid their loan. It is observed that the farmers have made use of agricultural cooperative credit for various stage of cultivation of crops. All the farmers have got agricultural cooperative credit towards cultivating their crop. The farmers attribute the various economic reasons, social reasons, administrative reasons, and political reasons towards their non repayment of loan. It could be noted that the role of agricultural cooperative credit is very essential in promoting cultivation practices in Thiruvannamalai district, Tamil Nadu. It is evident that Without agricultural cooperative credit, it is very difficult to undertake agricultural activities in the study area since the farmers have low capacity to invest and low ability to investment. This is due to low return of investment from the agricultural activities and price of the agricultural commodities is low compared to the industrial products. Hence, the promotion of agricultural credit is very essential in rural areas towards agricultural development along enhancement the livelihood status of the farmers.

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