

Analysis of Crop Loan Supply in Maharashtra State(2009-10 To2013-14)



Economics

KEYWORDS : Agriculture, Crop loan scheme, Bank , Farmer.

Dr. A. H. Saudagar

Assistant Professor, Swami Ramanand Teerth Marathwada University, Nanded, Sub-Centre, Latur

Dr. D. K. Dhas

Assistant Professor, Pramiladevi Patil Mahavidhyaly, Neknoor, Beed.

Mr. D. J. kate

Research Student, Swami Ramanand Teerth Marathwada University, Nanded, Sub-Centre, Latur

ABSTRACT

Rural Development depends upon agriculture whereas agriculture development depends upon Capital. Crop Loan Scheme fulfils the short term capital need of farmer. Through crop loan scheme, loan facility of without security or on minimum security are being made available and therefore, crop loan scheme are playing vital role for the development of marginal and small farmers. This scheme is widely circulated in Maharashtra State. There is every year increase in target and achievement of providing crop loan and ratio of achieving target of crop loan is good in Maharashtra State.

1. Introduction:

In India Crop loan scheme started in the year 1950 in previous State of Mumbai. In 1945, Mr. Dhananjay Gadgil suggested Crop Loan scheme for Maharashtra state and there after Gorwal and Mehata Committee recommended it for other states.

Previous co-operative Societies providing loan facility by mortgaging land. Without mortgaging the land, loan did not provide. In India the farmer are holding less land, so they were not getting appropriate amount of loan in appropriate time. That small farmers are deprived from loan therefore big farmer do not require loan, however, the big farmers how is having convenience for mortgage are getting maximum loan facility. Due to such fact, it affecting on Indian farms and development of farmer. For removing such lacuna there is need of relaxation of condition of mortgage and requires to give essential ability on production capacity. In the crop loan scheme the importance of element of security is reduced and therefore, marginal and small farmers could receive loan.

Features of Crop Loan scheme:

1.1. Less importance of Security:

The Banks and Co-operative Societies are giving importance for mortgaging land for providing agricultur loan facility, therefore, small farmers are being deprived from crop loan. Due to crop loan facility, importance is not given to mortgage the land but whether that farmers requires loan for production? He can repay the loan? Taking into consideration these aspects, loan is to be provided. There is less value for mortgaging the land due to this oppressive condition.

1.2. Productivity Value:

While providing crop loan facility, importance is to be given for productivity by adding relationship of amount with business necessity and considering this component loan is to be given to the producer.

1.3. Reduced restriction on Supply of credit

Due to crop loan facility, Agriculture loan Credit Policy becomes flexible to some extent. The unnecessary restriction is reduced on supply of credit.

1.4. Loan to Needy Person:

Previous loan was provided to the person who is not in need of it and needy persons could not get the loan due to lack of mortgage. Due to crop loan facility, the oppressive condition of mortgage has been reduced and needy persons are being provided loan facility.

1.5. Distribution of loan in cash or in the form of Goods:

Considering the need of farmer, sanctioned crop loan was disbursed in cash or in the form of goods. Therefore chances of miss use of crop loan was reduced.

1.6. While Sanctioning the loan, considering the cost of production of prominent Crop:

For production of each crop production cost are different and, therefore, in crop loan scheme while sanctioning the loan the said factor is taken into consideration and in pursuance of it loan is to be provided.

1.7. Repayment of Loan through sale of goods:

By creating coordination in between credit agency and sales organization, availed loan by farmer is to be repaid from the amount of goods sold by him.

2. Objective of the Study:

- 2.1 To study target and achievement of Crop Loan Scheme in Maharashtra State.
- 2.2 To study agency wise crop loan supply in Maharashtra State.
- 2.3 To study district wise crop loan supply in Maharashtra State.

3. Data Collection:

Secondary data is used for the present Research study and the said data is collected through Government reports, Bank Reports, Research paper, thesis, articles and books. The statistical tools used for the study are percentage, chart & graphs.

4. Analysis:

supply of Crop loan is on large quantity in Maharashtra State. target of crop loan in maharashtra is near by fulfilled in every year. In the year 2009-10 to 2013-14 the condition of target and achivement of crop loan is shown in below table.

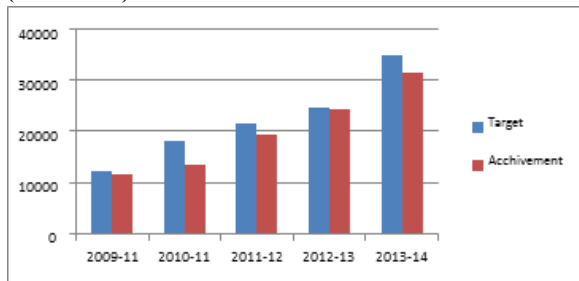
Table No.1 Target and achievement of Crop Loan Scheme in Maharashtra State (Rs. in crore)

Sr.no	Year	Target	Achievement	% to target
1	2009-10	12108	11591	96
2	2010-11	18175	13374	74
3	2011-12	21606	19491	90
4	2012-13	24739	24252	98
5	2013-14	34888	31426	90
Total		1,11,516	1,00,134	89.79

Source : . various issues of Maharashtra economic survey.

Figure No.1 Target and achievement of Crop Loan Scheme in Maharashtra State

(Rs. in crore)



Source : Table No.1

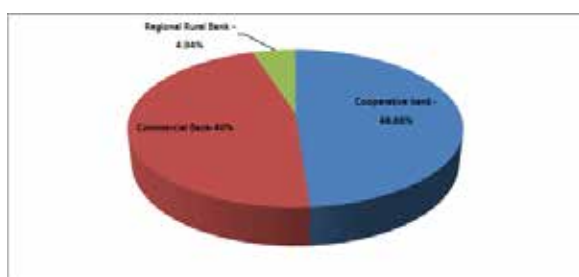
Table No.1& Figure No.1 indicates target & achievement of yearly supply of crop loan in Maharashtra state . In the year 2009-10, it is the target to provide an amount of Rs.12108 Crore towards crop loan, actually distributed Rs.11591 Crore and the ration of fulfilling the objectives is 96%. In the year 2013-14, 90% crop loan is provided as decided as per target. In the period between 2009-10 to 2013-14, there is growth of Rs.31426 Crore from Rs.11591 Crore in Maharashtra of purveyance of crop loan. From this it revealed that in between 2009-10 to 2013-14 average measure of crop loan purveyance in maharashtra state is 89.79%.

Table No.2 Agency wise crop loan disbursement in Maharashtra State (Rs. in crore)

Agency	2009-10	2010-11	2011-12	2012-13	2013-14	Total	% to total
Cooperative bank	7316	7205.18	9519.25	11075.98	13353.62	48470.03	48.66
Commercial Bank	3751	5566.14	8670.56	11777.64	16461.61	46224.95	46.00
Regional Rural Bank	524	602.51	788.24	1400.70	1610.90	4926.35	04.94
Total	11591	13373.83	18978.05	24252.32	31426.13	99621.33	100

Source : State level Bankers committee Maharashtra state (2012&2014), Background Notes and Agenda Papers, Bank of Maharashtra, Mumbai. P.16

Figure No.2 Agency wise crop loan disbursement in Maharashtra State



Source:TableNo.

Table No.2 & Figure No.2 indicates Agency wise crop loan disbursement in Maharashtra State . In the period in between 2009-10 to 2012-13, an amount to the tune of Rs.48470.03 Crore is disbursed towards crop loan through Co-operative Banks. The share of co-operative banks in providing crop loan is 48.40% from total purveyance of crop loan within this years and same is more. Through commercial banks, crop loan to the tune of Rs.46224.95 Crore is provided and its ratio is 46.40% from total purveyance of crop loan and such banks stood on 2nd place. If there is increase in providing crop loan of Regional Rural Bank, however, in total disbursement of crop loan share of Regional Rural Bank, it revealed that their share is only 04.94% and this ratio is less considering the other Banks.

Table No.3 District wise crop loan disbursement in Maharashtra Stat (Rs. in crore)

Sr. no	District	2009-10	2010-2011	2011-12	2012-13	2013-14	Total	% to total
1.	Ahmadnagar	572	761	1111	1871	2282	6025	6.07
2.	Akola	197	349	393	510	677	2126	2.14
3.	Amravati	358	358	549	770	1061	2738	2.76
4.	Aurangabad	555	571	602	715	897	2785	2.8
5.	Beed	467	607	560	840	1117	3591	3.62
6.	Bhandara	32	116	233	286	331	998	1.09
7.	Buldhana	227	397	628	699	912	2863	2.89
8.	Chandrapur	210	299	287	409	560	1765	1.78
9.	Dule	123	53	251	425	476	1328	1.34
10.	Gadchiroli	60	37	65	83	120	365	0.36
11.	Gondiya	72	92	138	143	152	597	0.6
12.	Hingoli	174	154	217	331	514	1390	1.39
13.	Jalgaon	549	775	1173	1504	1930	5931	5.96
14.	Jalna	266	411	505	666	857	2705	2.72
15.	Kolhapur	1137	1055	1268	1462	1829	6751	6.79
16.	Latur	393	268	675	711	969	3016	3.03
17.	Nagpur	270	366	545	668	699	2548	2.56
18.	Nanded	277	284	747	933	1440	3681	3.7
19.	Nandurbar	126	181	225	285	456	1273	1.28
20.	Nashik	1398	1208	1921	2694	2635	9856	9.91
21.	Osmanabad	266	292	428	580	612	1912	1.92
22.	Parbhani	385	434	478	544	964	2805	2.82
23.	Pune	994	1211	1166	1805	2397	7573	7.62
24.	Raigad	14	29	51	82	127	303	0.3
25.	Ratnagiri	43	97	221	248	299	908	0.91
26.	Sangli	577	677	893	854	1129	4130	4.15
27.	Satara	543	850	880	1284	1595	5152	5.18
28.	Sindudurg	61	62	137	162	194	616	0.61
29.	Solapur	340	421	1437	1699	1936	5833	5.86
30.	Thane	159	93	86	147	212	697	0.7
31.	Vardha	144	118	448	453	446	1609	1.61
32.	Washim	162	307	369	416	582	1836	1.84
33.	Yavatmal	450	478	806	918	1019	3671	3.69
	Maharashtra	11591	13375	19493	25197	31426	99377	100

Source : State level Bankers committee Maharashtra state (2012&2014), Background Notes and Agenda Papers, Bank of Maharashtra, Mumbai. P.16.

In the Table No.3 indicates district wise crop loan disbursement in Maharashtra State is shown. In Nashik, Pune, Kolhapur, Hingoli, Solapur, Satara and Ahmadnagar there is good supply of crop loan. In the period in between 5 years, out of total supply of crop loan, 9.91% is provided in Nashik district alone, whereas supply of crop loan is less in Raigad, Gondia, Thane, Gadchiroli district. Taking into consideration the division wise supply of crop loan, situation is good in Western Maharashtra and Marathwada region whereas in Kokan and Vidarbha it seems to be not better.

5. Conclusion:

5.1. Considering the target and achievement supply of Crop loan in Maharashtra State, every year there is increase in target of crop loan. In case of analysis of fulfilling target, it revealed that in 2012-13, 98% of target has been fulfilled whereas in 2010-11, only 74% of objectives has been fulfilled. If we considered 5 years jointly, out of total supply of crop loan to the extent of 89.78% has been fulfilled. Present situation supply of crop loan in maharashtra is satisfactory.

5.2. If we studied agency wise crop loan disbursement in Maharashtra State, it revealed that there is more share of Co-operative Banks of providing crop loans whereas commercial bank stood on 2nd place in it. That the share of Regional Rural Bank is less 4.99% in providing crop loan. Regional Rural Bank needs to improve their share in providing crop loan.

5.3. There is district wise variation in providing crop loan in Maharashtra state. In some district out of total supply of crop loan is 9.91% whereas in some district it is less than 0.3%. Taking into consideration the division wise supply of crop loan, situation is good in Western Maharashtra and Marathwada region whereas in Kokan and Vidarbha it seems to be not better

Considering overall, as there is agriculture importance in Maharashtra state, situation supply of crop loan is good. In Maharashtra for repayment of crop loan up to Rs.1,00,000/- within prescribed time, there is concession of 3% from Central Government and 3% concession under Dr. Panjabrao Deshmukh scheme. It means that loan amount to the tune of Rs.1 Lakhs becomes interest free. Similarly by taking loan of Rs.1 Lakh to Rs.3 Lakh, if same is repaid in time by the farmer only 1% per annum interest is charged. Due to this scheme, farmer tries to repay the loan amount within time.

REFERENCE

1. Kauthale, R.A.(2004) 'A Study of short term loan to Agricultural special Reference to Latur District' Ph.D. Thesis, Swami Ramanand Teerth Marathwada University, Nanded
2. Nabard, Various Issues of Annual Report, Mumbai.
3. Golait, R.(2007), current Issues in Agriculture credit In India: An Assessment, Reserve Bank of India, Occasional papers(28)1, pp.80-91
4. State Level Banker Committee Maharashtra State (2012&2014), Background notes and Agenda Papers, Bank of Maharashtra, Mumbai.
5. Singh, G. & Asokan, S.R.(1988), Institutional finance in rural India – Efficiency and Efficacy, oxford & IBH publishing co.Pvt.LTD, New Delhi. p.43-44
6. Datt, G. & Mahajan, A.(2013), 'Indian Economy, S. Chand & Company Pvt. Ltd., New Delhi, p. 643-644
7. Various Issues of Economic survey of Maharashtra.
8. Raman, T.V.(2011), Performance of Rural credit schemes in India, kurukshetra, New Delhi, (59)8, pp.14-17
9. Anjani kumar, Singh, K.M. & Sinha, S.(2010), Institutional credit to Agriculture sector in India: status, performance and determinants, Agriculture Research Review, pp.253-264.
10. Thitte, M.K.(2012), Importance of Agriculture Finance in India, Indian Streams Research