

Relationship Between Profile Characteristics of Farmers and their Extent of Awareness on Crop Loan System, Level of Attitude And Utilization of Crop Loan



Agriculture

KEYWORDS :

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ABSTRACT

The paper is focussed on analysing the relationship between profile of the farmers and extent of awareness on crop loan system, level of attitude and utilization of crop loan. The variables farm size, socio-political participation and achievement motivation were positively and significantly correlated with the attitude of farmers towards crop loan whereas, the variable age was negatively and significantly correlated with the attitude. The variables farm size, achievement motivation and risk orientation were positively and significantly correlated with extent of crop loan utilization, whereas age was negatively and significantly correlated with extent of crop loan utilization. The variables education, annual income and extension contact were positively and significantly correlated with the pattern of crop loan utilization. The variables education, farming experience, annual income, socio-political participation and extension contact were positively and significantly correlated with extent of awareness of farmers on crop loan system.

INTRODUCTION

Agricultural credit has played a vital role in supporting farm production in India. Though the outreach and amount of agricultural credit have increased over the years, several weaknesses have crept in, which have affected the viability and sustainability of these institutions. Following the shift from cereal to non-cereal products, a silent transformation is taking place in rural areas calling for diversification in agricultural production and value addition processes in order to protect employment and income of the rural population.

In changed scenario, strong and viable agricultural financial institutions are needed to cater the requirements of finance for building the necessary institutional and marketing infrastructure. A few characteristics of farmers help to bring more awareness on modalities of crop loan system and there by favorable attitude and more utilization of crop loan borrowed. In the direction present paper focuses on identifying extent of awareness, level of attitude and utilization of crop loan by the farmers.

MATERIAL AND METHODS

Ex-post-facto research design was adopted for the study. The State of Bihar was selected purposively for the study. The Samastipur district of Bihar was selected randomly for carrying out the study. Two blocks (Pusa and Khanpur) of the district and from each block four villages were selected randomly. Thus, a total of eight villages were selected for the investigation. From each selected village 20 respondents were selected randomly thus constituting 160 respondents for the study. The profile characteristics selected for the study are age, education, farm size, farming experience, annual income, status of default, socio-political participation, plant protection equipment status, farm implement and machinery status, live stock status, extension contact, achievement motivation, risk orientation and management orientation whereas the dependent variable are extent of awareness, level of attitude and utilization (extent and pattern) of crop loan. Interview schedule were developed and used to collect the data from the respondents.

RESULTS AND DISCUSSION

In order to understand the nature of relationship between selected profile characteristics of the farmers with their extent of awareness on crop loan system, level of attitude, extent and pattern of crop loan utilization, correlation coefficient values ('r') were computed and the values are presented in the Table.

It was observed from the Table that, calculated 'r' value between extent of awareness on crop loan and farming experience, socio-political participation and extension contact were greater than table 'r' value at 5 per cent level of significance whereas, calcu-

lated 'r' value is greater than table 'r' value at 1 per cent level of significance in case of education. Therefore, there was a positive and significant relationship between above characteristics and extent of awareness on crop loan where as the variable annual income was negatively and significantly related with extent of awareness on crop loan.

On the other hand, calculated 'r' value between extent of awareness on crop loan and age, farm size, status of default, plant protection equipment status, farm implements and machinery status, live stock status, achievement motivation, risk orientation and management orientation were less than table 'r' value. Therefore, there was no relationship between these characteristics and extent of awareness on crop loan system.

From the Table it was known that, the calculated 'r' value between level of attitude of farmers towards crop loan and farming experience, socio-political participation and achievement motivation were greater than table 'r' value at 5 per cent level of significance. Whereas, it was greater at 1 per cent level of significance in case of farm size. Therefore, there was positive and significant relationship between attitude of farmers towards crop loan and above characteristics. Where as the variable age was negatively and significantly related with attitude.

On the other hand the calculated 'r' values between the level of attitude of farmers and education, annual income, status of default, plant protection equipment status, farm machinery status, live stock status, extension contact, risk orientation and management orientation were less than table 'r' value. Therefore, there was no relationship between these characteristics and level of attitude of farmers towards crop loan.

It is revealed from the Table that, calculated 'r' value between extent of crop loan utilization and achievement motivation was greater than table 'r' value at 5 per cent level of significance, whereas, calculated 'r' value is greater than table 'r' value at 1 per cent level of significance in case of farm size and risk orientation. Therefore, there was a positive and significant relationship between these characteristics and extent of crop loan utilization. Whereas, age and extent of crop loan utilization were negatively and significantly correlated at 1 per cent level of significance.

On the other hand, calculated 'r' value between extent of crop loan utilization and education, farming experience, annual income, status of default, socio-political participation, plant protection equipment status, farm implements and machinery status, livestock status, extension contact and management orientation were less than table 'r' value. Therefore, there was no

relationship between these profile characteristics and extent of crop loan utilization.

It is revealed from the Table that, calculated 'r' value between pattern of crop loan utilization and education, extension contact and socio-political participation were greater than table 'r' value at 1 per cent level of significance. Therefore, these characteristics and pattern of crop loan utilization were positively and significantly related.

On the other hand, calculated 'r' value between pattern of crop loan utilization and age, farm size, farming experience, status of default, socio-political participation, plant protection equipment status, farm implements and machinery status, livestock status, achievement motivation, risk orientation and management orientation were less than table 'r' value. Therefore, there was no relationship between above profile characteristics and pattern of crop loan utilization.

It is clearly shown in the Table that, independent variable age is negatively and significantly correlated with the attitude and extent of crop loan utilization at 1 per cent level of significance. This signifies that as age increases their attitude and extent of crop loan utilization declines. Perhaps the aged people compromise with the local situation and could not form the feeling that crop loans were having a transforming effect on improving the condition on the farm and at the home and also they were not much aware to completely utilize the borrowed loan for its intended purpose. Chance was more that part of the loan amount may be siphoned off to other non-productive and non farming activities. The variable education was positively and significantly correlated with pattern of crop loan utilization and extent of awareness on crop loan system. Education makes an individual to be conscious about spending the amount and also facilitates him to clearly comprehend the happenings in the societies. Therefore, education paves way to judiciously invest on various farm inputs and also creates interest to know the intricacies involved in crop loan system. The variable farm size was positively and significantly correlated with the attitude and extent of crop loan utilization. As the size of land holding increases the farmers develop inquisitiveness to know the intricacies involved in crop loan system. Thereby they try to form an opinion or feeling towards better and fruitful utilization of borrowed amount. Moreover, size of their land holding permit to trial or experiment new technologies thereby invariably they utilize the maximum borrowed amount in the field. The variable farming experience was positively and significantly related with attitude and extent of awareness on crop loan system. It is well known that continuous involvement of a farmer in different farm activities over a period of time facilitates him to know the importance of crop loan in farming. Experience makes an individual to encounter with varied kind of situation in farming that propels to form an impression towards crop loan. The variable annual income was negatively and significantly related with extent of awareness on crop loan system. As the income level of farmers increase their capacity of capital formation increases which makes them not to depend much on crop loan for investment. The variable socio-political participation was positively and significantly correlated with attitude, extent of awareness on crop loan system and pattern of crop loan utilization. The more the participation of farmers in various social and political organizations as member or office bearer makes him to get access to the information on varied subjects. In this way, they could also get in touch with the happenings in crop loan system to form a favourable attitude and also get aware of judicious and rationale utilization of the loan amount on various farm inputs.

The variable extension contact was positively and significantly correlated with the pattern of crop loan utilization and extent of awareness on crop loan system. Farmers having constant interactions with the officials of line departments (state department of agriculture, horticulture, animal husbandry, sericulture etc.), scientists of agricultural universities and bank officials, the pattern of spending of borrowed loan on various agricultural inputs and the chances of enrichment in the knowledge level on crop loan system were very high.

The variable achievement motivation was positively and significantly correlated with the attitude and extent of crop loan utilization. The desire for excellence in performing the activities acts as bedrock and propelling force to form a positive attitude and also completely utilizing the borrowed crop loan amount. The variable risk orientation was positively and significantly correlated with extent of crop loan utilization. This clearly senses that the farmers welcome the factor risk in experimenting new ideas in farming and definitely utilize the borrowed loan to the maximum extent.

Conclusion:

The paper is focussed on analysing the relationship between profile of the farmers and extent of awareness on crop loan system, level of attitude and utilization of crop loan. The variables farm size, socio-political participation and achievement motivation were positively and significantly correlated with the attitude of farmers towards crop loan whereas, the variable age was negatively and significantly correlated with the attitude. The variables farm size, achievement motivation and risk orientation were positively and significantly correlated with extent of crop loan utilization, whereas age was negatively and significantly correlated with extent of crop loan utilization. The variables education, annual income and extension contact were positively and significantly correlated with the pattern of crop loan utilization. The variables education, farming experience, annual income, socio-political participation and extension contact were positively and significantly correlated with extent of awareness of farmers on crop loan system.

Table 1. Correlation coefficient values between profile characteristics and extent of awareness, level of attitude, extent and pattern of crop loan utilization

S. No	Profile characteristics	Correlation coefficient values			
		Extent of awareness on crop loan system	Attitude towards crop loan	Extent of crop loan utilization	Pattern of crop loan utilization
1.	Age	0.032 ^{NS}	-0.314 ^{**}	-0.392 ^{**}	0.120 ^{NS}
2.	Education	0.238 ^{**}	0.169 ^{NS}	0.019 ^{NS}	0.251 ^{**}
3.	Farm size	0.098 ^{NS}	0.244 ^{**}	0.255 ^{**}	0.065 ^{NS}
4.	Farming experience	0.209 [*]	0.214 [*]	0.036 ^{NS}	0.043 ^{NS}
5.	Annual income	-0.221 [*]	0.016 ^{NS}	0.154 ^{NS}	0.125 ^{NS}
6.	Status of default	0.046 ^{NS}	0.049 ^{NS}	0.036 ^{NS}	0.078 ^{NS}
7.	Socio-political participation	0.211 [*]	0.197 [*]	0.084 ^{NS}	0.248 ^{**}
8.	Plant protection equipment status	0.021 ^{NS}	0.013 ^{NS}	0.135 ^{NS}	0.137 ^{NS}
9.	Farm implements and machinery status	0.037 ^{NS}	0.0256 ^{NS}	0.009 ^{NS}	0.056 ^{NS}
10.	Live stock status	0.153 ^{NS}	0.163 ^{NS}	0.113 ^{NS}	0.092 ^{NS}
11.	Extension contact	0.231 [*]	0.090 ^{NS}	0.163 ^{NS}	0.251 ^{**}
12.	Achievement motivation	0.057 ^{NS}	0.209 [*]	0.223 [*]	0.085 ^{NS}
13.	Risk orientation	0.143 ^{NS}	0.015 ^{NS}	0.234 ^{**}	0.143 ^{NS}
14.	Management orientation	0.048 ^{NS}	0.102 ^{NS}	0.159 ^{NS}	0.057 ^{NS}

**** Significant at 0.01 level of probability**
*** Significant at 0.05 level of probability**
NS - Non significant

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