Analysis of Crop Loan Supply in Maharashtra State (2009-10 To 2013-14)

Dr. A. H. Saudagar  
Assistant Professor, Swami Ramanand Teerth Mahathwada 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 Mahathwada University, Nanded, Sub-Centre, Latur

ABSTRACT

Rural Development depends upon agriculture whereas agriculture development depends upon Capital. Crop Loan Scheme fulfills 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 Mehat 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 agriculture 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 achievement of crop loan is shown in below table.

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

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

Source : various issues of Maharashtra economic survey.
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 state is satisfactory.

5.2. If we studied agency wise crop loan disbursement in Maharaashtra State, it revealed that there is more share of Co-operative Banks of providing crop loans whereas commercial bank stood on 2nd place. 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