

A Study on Impact of Kisan Credit Card Scheme among the Beneficiary Farmers in Sehore District of Madhya Pradesh

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Abstract: *The government of India has been launching several schemes for the rural and urban area of the country. But the evaluation or assessment of these schemes is crucial to know the impact among the beneficiaries. The study was conducted in Ashta block of Sehore district of Madhya Pradesh. Due to impact of short term crop loan, highest increase in yield was with wheat crop which amounted to 82.37 per cent. The highest percentage of magnitude of increased income (75.28%) was for wheat crop followed by 68.78 and 46.75 per cent respectively for gram and arhar respectively.*

Keywords: Kisan Credit Card, Beneficiaries, Adoption Behavior, Yield

1. Introduction

The emergence of "Green revolution" in India in the late sixties, has radically changed the character of Indian agriculture, there was a growing tendency among the farmers to replace the traditional farm practices with scientific and modern practices, which is reflected by the inputs i.e. use of high yielding variety seeds, fertilizers, pesticides, irrigation, machinery and equipments etc. require heavy financial investments, which the majority of the farmers [3] cannot afford from their own savings, therefore they have to depend on borrowed funds. This had naturally increased the demand of providing credit to a large number of farmers, agricultural credit [4]. Therefore, assumes greater importance in the transformation in Indian agriculture from the traditional type of farming to the commercial farming. Credit is essential for adoption of agricultural technology, purchase modern inputs and implements, land development, purchase of live stock, raw material etc. credit is also essential for non productive requirements including expenses for marriage, death, serious illness and other social happenings in the family.

To provide adequate and timely credit support from the banking system to the farmers for their cultivation needs and to improve farmers' accessibility to bank credit for production purposes, the credit delivery mechanism is being simplified and more flexibility in the use of credit, Kisan Credit Card (KCC) is being introduced as a credit delivery mechanism for crop loans. Parmar (2009) concluded that most of the beneficiaries (44.17%) were in the low category of attitude towards Kisan credit card scheme followed by 33.33 per cent in medium and 22.50 per cent in high category. Punnaroa and Satyanarayana (1991) revealed that socio-economic status significantly associated with credit repayment performance [2] of small and marginal farmers.

The Kisan Credit Card was in response to this situation. Every farmer should have the card, which should also be linked to health and crop insurance. Productivity will increase if improved credit system provides timely support, and awareness is increased. The present study will help the administrators, policy makers, researchers and banking/financing institutions for making future strategies and also explore the weakness of the ongoing implementations of the Kisan Credit Card.

2. Objectives

Objective of this research work explores the adoption behavior of beneficiary farmers.

3. Methodology

In order to fulfillment of the above mentioned objectives, the study was conducted in Ashta block of Sehore [1] district of Madhya Pradesh. For the selection of respondents a list of all the beneficiaries who benefited under KCC scheme were obtained from the State Bank of India, Ashta. The beneficiaries were assisted in respect of short term crop loan. After getting list of beneficiaries, out of 3750, only 120 beneficiaries were selected randomly for the study purpose. Thus, total 120 beneficiaries were treated as beneficiary respondents. The data was collected from the above selected respondents through survey method with the help of self made well structured pre tested interview schedule.

4. Result & Discussion

4.1 Annual Income

The data of following Table shows out of the total beneficiaries, 28.33 per cent had annual income in the range of Rs.60,001 to 75,000/-, 26.67 per cent had Rs.75,001 to 90,000/-, 22.50 per cent had between 90,001 to 1,05,000, 10.00 per cent had between 1,05,001 to 1,20,000 while 4.17 per cent of them had in the range of Rs. 30,001 to 45,000 and only 2.50 per cent had annual income up to Rs.30,000/-.

Table 1: Frequency distribution of beneficiaries according to their annual income

S.No.	Categories	KCC Beneficiaries (n=120)	
		Frequency	Percentage
1.	Up to Rs.30,000/-	3	2.50
2.	Rs.30,001 to 45,000/-	5	4.17
3.	Rs.45,001 to 60,000/-	7	5.83
4.	Rs.60,001 to 75,000/-	34	28.33
5.	Rs.75,001 to 90,000/-	32	26.67
6.	Rs.90,001 to 1,05,000/-	27	22.50
7.	Rs.1,05,01/- to 1,20,000	12	10.00
Total		120	100.00

Thus, it may be concluded that out of the total beneficiaries highest 28.33 per cent having annual income in the range of Rs. 60,001 to 75,000/-.

5. Adoption behavior of beneficiary farmers

5.1 Distribution of beneficiaries according to borrowed amount of loan

The data presented in the table bellow clears the picture of amount of loan borrowed by beneficiaries under KCC scheme. The borrowing was done as short term crop loan. The different amount was borrowed by each beneficiary as per their needs and requirements.

Table 2: Frequency distribution of beneficiaries according to their amount of loan

S.No.	Categories	KCC Beneficiaries (n=120)	
		Frequency	Percentage
1.	Up to Rs.30,000/-	11	9.17
2.	Rs.30,001 to 50,000/-	34	28.33
3.	Rs.50,001 to 1,00,000/-	55	45.83
4.	Rs.1,00,001 to 1,50,000/-	16	13.33
5.	Rs.1,50,001 to 2,00,000/-	02	1.67
6.	Rs.2,00,001 to 2,50,000/-	01	0.83
7.	Rs.2,50,01/- to 3,00,000	01	0.83
Total		120	100.00

The data from the table bellow, reveal that, out of the total beneficiaries, 45.83 per cent had borrowed in the range of Rs.50,001 to 1,00,000/-, 28.33 per cent borrowed Rs.30,001 to 50,000/-, 13.33 per cent borrowed between 1,00,001 to 1,50,000, 9.17 per cent had borrowed up to Rs. 30,000, 1.67 per cent beneficiaries had borrowed 1,50,001 to 2,00,000 while only 0.83 per cent of them had borrowed in both range of Rs. 2,00,001 to 2,50,000 and 2,50,000 to 3,00,000.

Impact of KCC scheme in respect of income generated among the beneficiaries under Kisan Credit Card scheme.

The impact of KCC was measured in terms of monetary gains among the beneficiaries, as they invested the borrowed amount under this scheme for enhancing their production through strengthening their technology, resources and risk bearing ability. The distribution of beneficiaries according to their income generation through Kisan Credit Card Scheme (KCC) has been presented in following manner.

Table 3: Distribution of beneficiaries according to their income generated before and after borrowing due to Kisan Credit Card Scheme

S. No.	Categories		KCC Beneficiaries (n=120)				
			Before		After		
	No.	%	No.	%			
1	Low income (<Rs. 45,000)	61	50.83	15	12.50		
2	Medium income (Rs. 45,000 to 90,000)	50	41.67	66	55.00		
3	High income (>Rs. 90,000)	09	7.50	39	32.50		
Total		120	100.00	120	100.00		

The above data indicate that in case of before implementation of KCC program, most of the beneficiaries (50.83%) belonged to low income group (<Rs. 45,000), followed by 41.67 per cent of them belonged to medium income group (Rs. 45,000 to 90,000) and only 7.50 per cent of them were in high income group (>Rs. 90,000) beneficiaries. Whereas, after utilization the credit/loan under the Kisan Credit Card Scheme, a higher percentage of the beneficiaries (55.00%) were come to medium income group (Rs. 45,000 to 90,000), 32.50 per cent beneficiaries were fall in to high-income group (>Rs. 90,000) and 12.50 per cent of them were left in low-income group (<Rs. 45,000). Thus, the data in the above table clearly showed the impact of credit/loan on dairy development in respect of income generation to the beneficiaries.

As the KCC provided credit facilities to the farmers of the area for purchasing inputs for scientific agriculture, which significantly influence the income of borrowers through increase in yield. The data presents the magnitude of change in yield of different crops due to credit facilities of beneficiary farmers.

Table 4: Crop wise distribution of yield per acre before and after borrowing loan under KCC scheme and change in yield

S. No.	Crops	Yield q/acre before borrowing loan	Yield q/acre after borrowing loan	Absolute change (Rs.)	Relative change (%)
1.	Soybean	05.88	07.81	1.93	32.82
2.	Arhar	03.74	05.65	1.91	51.07
3.	Wheat	06.41	11.69	5.28	82.37
4.	Gram	03.43	05.98	2.55	74.34

The data indicate that the highest increase in yield was with wheat crop which amounted to 82.37 per cent followed by gram (74.34%), arhar (51.07) and soybean (32.82%). The above significant increase in yield shows that there was a great impact to beneficiaries of short term crop loan under

KCC scheme. The data presented in table shows regarding crop wise distribution of income in Rs. per acre of beneficiaries under KCC scheme before and after borrow.

Table 5: Crop wise distribution of income per acre before and after borrowing loan and change in income

S. No.	Crops	Before borrowing loan (BB) (Rs./Acre)	After borrowing loan income (AB) (Rs./Acre)	Absolute change (Rs.)	Relative change (%)
1.	Soybean	6174	8519	2417	39.14
2.	Arhar	13090	19210	6120	46.75
3.	Wheat	7051	12089	5308	75.28
4.	Gram	8149	13754	5605	68.78

It is evident from the table that the income of beneficiary farmers from different crops increases from Rs. 6174 BB to Rs. 19120 AB in case of soybean, arhar, wheat and gram. The corresponding increase AB in case of soybean was to the extent of 39.14 percent. The magnitude of increase for other crops of beneficiaries varied from Rs. 2417 to Rs. 6120. The highest percentage (75.28%) was for wheat crop followed by 68.78 and 46.75 per cent respectively for gram and arhar respectively.

6. Conclusion

A significant number of farmers had their annual income in the range of Rs. 60001 to 75000. it is interesting to note that more than 50.00 per cent of the beneficiaries were earning a good remunerative income between Rs. 75000 to 1,20,000. The data shows that majority of the beneficiaries had medium to high annual income. Nagaich (2008) found the similar observation in his study.

Adoption behavior of beneficiary farmers was measured by their borrowed amount, repayment pattern, income generation after borrowing, change noticed in yield of crops and gross income from crops as a result of utilization of credit for strengthening their technology and use of appropriate inputs.

As regards with borrowed amount by beneficiaries with respect to short term crop loan it was found that most of the beneficiaries borrowed between Rs. 50,000 and 1,00,000 whereas a few of the beneficiaries borrowed over Rs. 1,50,000. This shows that the KCC beneficiaries probably were using their credited amount for high quality inputs and minor implements and a few of the beneficiaries purchasing heavy machinery.

In case of repayment pattern with respect to short term crop loan it was found that majority of the beneficiaries were regular in repayment of borrowed loan whereas a few of the beneficiaries were defaulter. This shows that the attitude of

beneficiaries was satisfactory towards KCC scheme.

After utilization the credit/loan under the Kisan Credit Card Scheme, a higher percentage of the beneficiaries (55.00%) were come to medium income group (Rs. 45,000 to 90,000), 32.50 per cent beneficiaries were fall in to high-income group (>Rs. 90,000) and 12.50 per cent of them were left in low-income group (<Rs. 45,000). Thus, the data in the above table clearly showed the impact of short term crop loan in respect of income generation of the beneficiaries.

As far as productivity of various crops are concerned, the productivity level of all crops grown by beneficiaries was more than the before borrowing.

From the findings related to crop wise distribution of income in Rs. Per hectare with respect to before and after getting loan under KCC scheme, it was revealed that beneficiaries getting more income per hectare after borrowing loan in the cultivation of soybean, arhar, wheat and gram crops. The magnitude of increase in income was 39.14, 46.75, 75.28 and 68.78 per cent respectively. This might be due to availability of high quality input and facilities after borrowing.

Reference

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