

# Impact of Kisan Credit Card Scheme on the Socio-Economic Status of Farmer's in Anuppur District of Madhya Pradesh (With Special Reference to Co-operative Bank)

Sonu Shukla Tiwari

**Abstract:** *Agriculture is a Core Sector of Indian Economy the majority of our Country's Population depend upon agriculture, in the same way Anuppur district of Madhya Pradesh is also an agriculture dominated region. Approximately 70% of the rural population of Madhya Pradesh is engaged in primary sector. This sector contributes about 30% to the State Net Domestic Product. In this sequence about 70.95% of the total population of Anuppur district is engaged in agricultural sector in which 33.32% are cultivators. About two third of total population directly earn it's livelihood from Agriculture. But at present agriculture sector is facing lots of problems such as Credit, irrigation HYVs and other Capital equipments etc. Co-operative banks a significant role in the development of agriculture Sector because their national objective was to eliminate exploitations of the farmers by the moneylenders by providing the farmers loans at cheaper rates of Interest. Cooperative Bank promotes all government policies in your bank like Kisan Credit Card Fasal Bima yojana etc. Kisan Credit Card (KCC) is very useful policy for rural development because these policy as the only medium of short-term credit for agriculture. The Kisan Credit Card (KCC) scheme was introduced by the Finance Minister in his budget speech in the year 1998-99. From the year 1998-99, the scheme was implemented by public sector commercial banks, RRBs (Regional Rural Banks) and cooperative banks in the country. In this study, based on the secondary data collected from several authentic sources the present paper is aimed to study role of Kisan Credit Card scheme in the rural credit facilitation and impact of KCC scheme to Social and Economic sector in Anuppur District.*

**Keywords:** Agriculture Economy, Kisan Credit Card Scheme, Socio- economic status, Cultivators, Implemented, Co-operative credit

## 1. Introduction

Agriculture is backbone of Indian economy. It is an important source of GDP and main stay of Indian population. About two third of total population directly earns its livelihood from agriculture. Agriculture sector is most important sector of the Indian economy from the perspective of poverty alleviation and employment generation in the same way anuppur district of Madhya Pradesh is also on agriculture and tribal dominated region their 70% population depend in agricultural activities and two third population directly earn it's livelihood form agriculture but at the time cultivators facing various types of problem such as credit, HIV seeds irrigation and capital formation etc. Co-operative banks play a significant role in the development of agriculture sector because their national objective was to eliminate exploitations of the farmers by the moneylenders by providing agricultural credit at cheaper rates of interest. Co-operative bank promote all government policies like Kisan Credit Card, Fasal Bima yojana, SHG etc Kisan Credit Card policy is very easy and useful policy for the cultivator because it is the only medium of short term credit for crop loan. The KCC policy was introduced by the finance minister in his budget speech in the year 1998-99 this scheme was implemented by public sector commercial banks, Regional Rural Bank and co-operative Banks in the country but especially DCCB is running KCC policies in a district because District Central Cooperative Bank is central financing agency in the entire district at the district level. This bank provided timely and adequate credit support to the farmer in KCC scheme and help as increasing agricultural production and changing their social and economical status of living standard.

## 2. Review of Literature

- 1) Vikas Kumar Shukla (2017) his found that farmer's is not fully aware about the scheme it is a big hurdle in smooth practice. Government, NABARD and executive agencies should work on farmer's should work on it. Gram pradhan, Bank Mitra and farmer's representative models could be more effective and some fear in farmers about Government dept.
- 2) Dharmendra Mehta (2016) his found that Kisan Credit Card has emerged as a new vital credit delivery mechanism to meet the credit requirement of farmers in a suitable and hassle free manner. KCC is one of the most innovative, widely accepted schemes of Indian Government as it is highly appreciated and non discriminatory banking product KCC has established itself as a quite popular among the farmers. It would surly help the farmers in easy timely access to much desired institutional credit.
- 3) Dr. Abhey Singh (2014) in focus that to improve progress and performance of Kisan Credit Card scheme. The attention of the bank should be more on poor performing regions the government and bank groups should launch awareness generation program among the farmers about the benefit of the scheme and to attract the farmers.
- 4) Dr. M. Dhanabhakya (2012) in his study KCC is one of the most innovative, widely, accepted highly appreciated and non- discriminatory banking products. It is beneficial to farmers. It becomes necessary for the banks to have the clean understandings of the scheme which is already in Operations.
- 5) Anjani Kumar (2010) study that the institutional credit flow to the agriculture has been increasing for the past four decades the importance of the unique role of the

Indian agriculture in the macroeconomic framework along with its significant role in poverty alleviation.

### 3. Objectives

- 1) To study the impact of Kisan credit card scheme socioeconomic status of farmer's in the Anuppur District of Madhya Pradesh.
- 2) To assess the role and contribution of Kisan credit card scheme.
- 3) To provide some suggestions for effective implementation of the Kisan credit cards scheme.

### 4. Research Methodology

The research will be based on secondary data of anuppur district of Madhya Pradesh. The relevant data will be collected from various RBI, NABARD and District Central Co-operative bank anuppur annual reports, economic Survey and such as websites. I had used all the Qualitative and Quantities technique as for the requirement in my research topic.

### 5. Limitations of the study

- 1) The study is based on only secondary data collected and limited time period series from several authentic co-operative banks **Annual report** articles and **website** sources.
- 2) The data relating to are not available continuously for the period of the study.
- 3) Hence the available data from the concerned area have been taken for the study.

### Data Analysis

Source: //Lead Bank District Office Central Bank of India Anuppur (M.P.)  
Kisan Credit Card (New) As On 30-11-2017(Amt in Lacs)

S.No	Name of Bank	As On 30-11-2017 loan Disburse 01-04-2017 to 30-11-2017	AC	Amount	Outstanding 30-11-2017	AC	Amount
1	CBI		172	283.00		3321	3181.17
2	SBI		35	46.00		2788	2588.09
3	DCCB		3858	677.18		28703	118.92
4	Madhya Pradesh Gramin Bank		116	138.00		961	409.21
5	PNB		09	19.30		190	188.21
6	Canara Bank		18	37.43		114	145.18
<b>Total</b>			<b>4208</b>	<b>1200.91</b>		<b>36077</b>	<b>6630.6</b>

It's clear according to the table that in the year 2016/17 the District Central Co-operative bank for Rubby season 118.92 lacs rupees has been provided to the farmers for credit related and by central Bank of India 3181.17 lacs rupees, by state bank of India 2588.08 and Punjab National

Bank 188.21 lacs rupees and by Canara Bank 145.18 lacs rupees of financial aid has provided for farmers. Thus the KCC aided by the commercial banks .it is clear that commercial banks financial services are increased and another District Central Co-operative Banks credit is less for the farmers need. This result that the farmers are not getting the right benefits KCC scheme and the District Central Co-operative Bank anuppur not fulfill their targets.

### Overview of Kisan Credit Card scheme

To increase the productivity of farmers land at Rubby and Kharif seasons land to provide needed credits finance ministry on 1998/99 starts up Kisan Credit plan the main objective of this plan was to provide needed credit to the farmers at a time KCC scheme plays a significant role to increase the productivity of agriculture. According to this scheme any registered cultivator who needs credit can be provided by bank at less interest. In this scheme the guideline of Reserve bank of India some changes are also done for the welfare of cultivators .to escape farmers form credit related the finance ministry again makes some changes so that livestock breeding and fisheries workers can also provide credit loans through Kisan credit card so the development of agriculture increases more and also the living standard of farmers must be improved.

### Benefit of KCC Scheme

- 1) Access to sufficient and timely credit to farmers.
- 2) Less paper work and simplification of documentation.
- 3) Flexibility to draw cash at any point of time and buy inputs as per the requirements of the farmers and also to repay as and when surplus fund is available.
- 4) Assured availability of credit at any time as to reduce interest burden on the farmer.
- 5) To less work load for branch staff by avoidance of repeat appraisal and processing of loan papers under KCC Scheme.
- 6) Improvement in recycling of funds and better recovery of loans.
- 7) Improving Banker - Client relationships.

### 6. Suggestions and Recommendations

- 1) Co-operative Bank easier to the loan process because cultivators are not fully aware the policy norms.
- 2) Arrangement for verified database of formers will help in providing loan to the real needy ones.
- 3) Increasing time duration term loan in this scheme.
- 4) Government time to time proper monitoring in this scheme.
- 5) KCC scheme only for register farmer, I have suggested included none resisted farmer also.

## 7. Conclusion

Kisan Credit Card (KCC) is very useful policy for rural development because these policy as the only medium of short-term credit for agriculture. By analyze the financial aid provided by the commercial banks through Kisan credit card scheme is increased but due to the loans provided by District Central Co-operative bank is less according to the needs of farmers as the farmers are not getting the right advantages. Thus the farmers of anuppur district have lack of awareness due to which the operation is not proceeding well and the banks are not able to complete their aims. So this scheme should be campaign well under rural areas for the right advantages of farmers so that the development of agriculture and farming should be improved well. At the last we can say that government time to time monitoring the policy and especially promote to rural area.

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