



A Study on the Agriculture Finance in India “Agriculture Finance: An Overview”

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ABSTRACT:

For the purpose of agriculture farmers need an important input that is finance. The growth of agriculture is dependent on the sufficient and timely credit to the farmers. Finance is needed in every stage of agriculture like fertilizers, cultivation, or digging and deeping of wells.

KEYWORDS: Agriculture, development, finance, implementation.

INTRODUCTION

Agriculture Finance in India- Professional moneylenders were the only source of credit to farming till 1935. They used to charge overly high rates of interest and follow serious practices while giving loans and recovering from borrowers.

As a result, growers were heavily burdened with debts and numerous of them perpetuated debts. There were wide discontents among growers against these practices and cases of screams were a common miracle. With the end of Reserve Bank of India Act 1934, District Central hutch. Banks Act and Land Development Banks Act, agrarian credit entered motivation and there were advancements in agrarian credit.

An important indispensable agency came into being. Large- scale credit came available with reasonable rates of interest at easy terms, both in terms of granting loans and recovery of them. Both the united banks advance credit substantially to husbandry. First bank advances short- term and medium-term loans while the alternate bank advances long- term loans. The Reserve Bank of India as the Central bank of the country took lead in making credit available to husbandry through these banks by laying down suitable programs.

Although the united banks started financing farming with their establishments in 1930's real motivation was entered only after Independence when suitable legislation were passed, and programs were formulated. later, bank credit to husbandry made phenomenal progress by opening branches in pastoral areas and attracting deposits. Till 14 major marketable banks were nationalized in 1969, united banks were the main institutional agencies furnishing finance to husbandry. After nationalization, it was made obligatory for these banks to give finance to husbandry as a precedence sector. These banks shouldered special programs of branch expansion and created a network of banking services throughout the country and started financing farming on large scale. therefore, husbandry credit acquired multi-agency dimension. Development and relinquishment of new technologies and vacuity of finance go hand in hand.

In bringing " Green Revolution", " White Revolution" and now " Yellow Revolution" finance has played a pivotal part. Now the husbandry credit, through multi agency approach has come to stay. The procedures and quantum of loans for colorful purposes have been formalized. Among the colorful purposes " Crop loans"(Short- term loan) has the major share. In addition, growers get loans for purchase of electric motor with pump, tractor and other ministry, digging wells or boring wells, installation of channels, drip irrigation, planting fruit vineyards, purchase of dairy creatures and feeds fodder for them, flesh, lamb/ scapegoat keeping and for numerous other confederated enterprises.

OBJECTIVES OF THE STUDY

- 1) To study the farming finance.
- 2) To study the productive requirements of agrarian finance.
- 3) To examine the part of NABARD in agrarian development.
- 4) To study how to give loan in a simple way.
- 5) To understand the fiscal requirements of the planter

6) To extemporize personality development.

7) To enhance communication chops.

8) enhance platoon spirit.

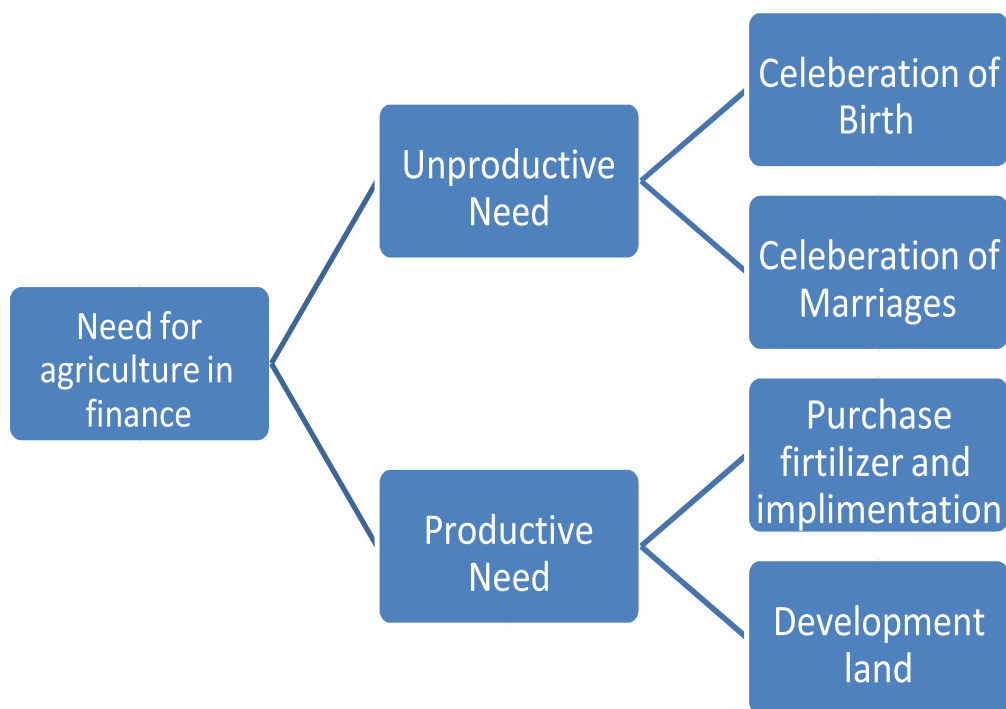
LIMITATIONS OF THE STUDY

- Limited time period.
 - lower data available.
 - Complete design in limited time period.
 - Project complete along with job.
 - There was a problem collecting data.
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NEEDS OF FINANCE IN AGRICULTURE

We can classify the fiscal need of the Indian planter into two orders. Need for Agricultural Finance Productive Unproductive Need Purchase Development festivity of festivity of Diseases and of Land Birth Marriages apply

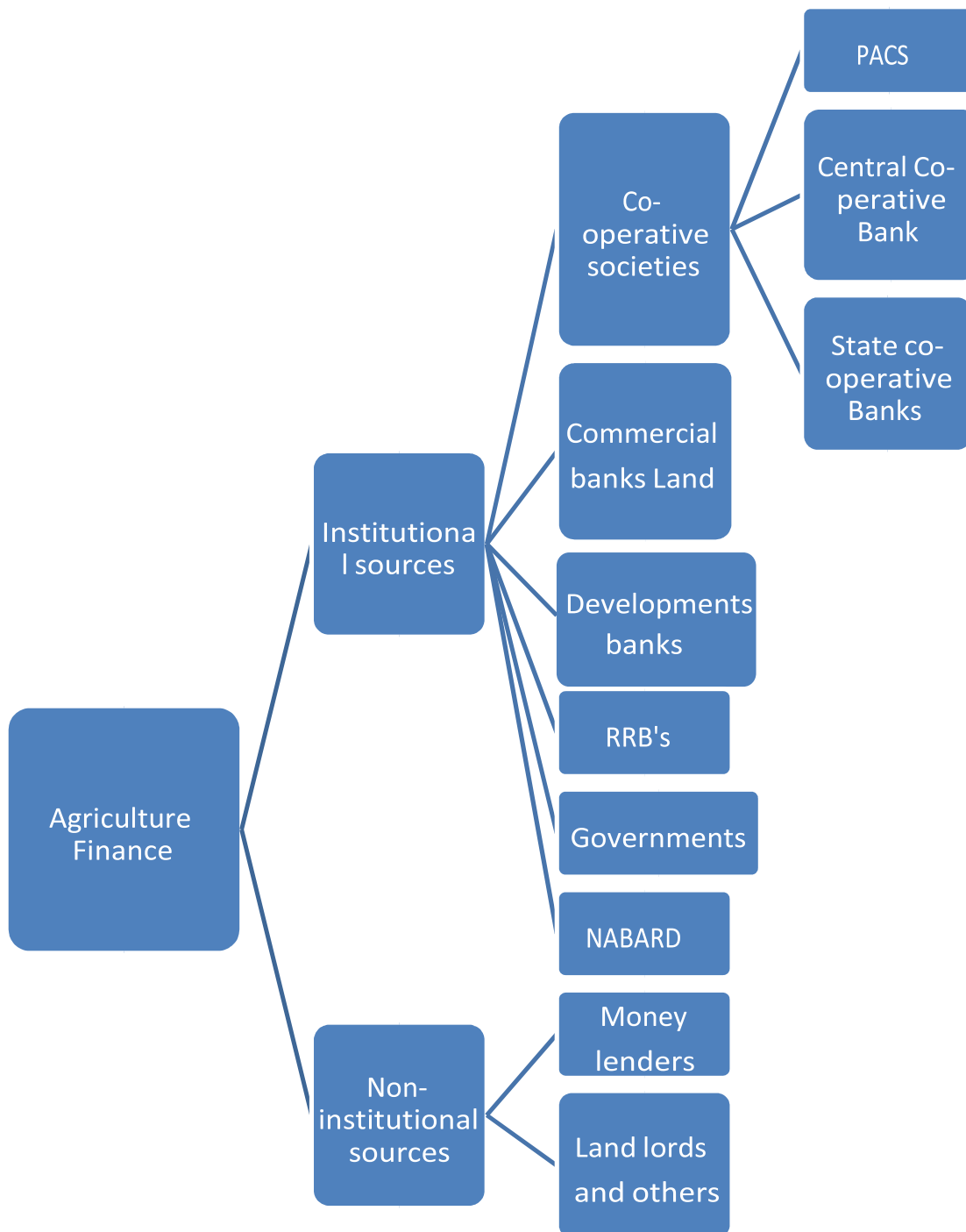
PRODUCTIVE requirements- Productive requirements refers to finance for purchase of diseases and tools, digging and Deeping of wells.



UNPRODUCTIVE REQUIREMENTS - The productive purpose for which the planter also get loan are festivity of marriages, birth, and death.

There's another bracket of fiscal demand of the planter, and they all fall in the productive order.

- 1) Short- Term Loan Short- term loans demanded for civilization or for marketing domestic charges.
- 2) Medium Term Loan Medium term loans which range from 15 months to 5 times for making enhancement of land, buying cattle agrarian tools etc.
- 3) Long Term Loan Long term loan period further than 5 time needed for purchase of fresh land, make endless advancements on land, and pay off old debts and to buy expensive agrarian ministry.

Sources of Agriculture Finance


Suggestion

Banking Backing problem for husbandry are-

1. Delay in finance to the planter.(MIP)
2. Lots of formalities which is give by the growers.
3. Lots of document.
4. Utmost of the growers come to separate banks constantly but the jobs are undone.(MIP)
5. High Interest rate problem.

6. Collaboration problem with the growers.
7. Knowledge problem of growers.
8. Time operation problem.
9. Do not understand the problems faced by growers(only concentrate on dealing product)
10. Organisation is running veritably laggardly.
11. The most worrisome of distribution channel.
12. Manpower problem.
 - Needed original person for distribution of loan.
 - For recovery purpose.
 - Those workers who are the know about the original area and local people and original hand well known to everyone.
13. Contact problem.

Problem of growers

1. Farmer don't have information about the loans.
 - KCC
 - Crop loan
 - Allied loan
 - husbandry structure loan
 - Other loans give by the private and public banks.
2. Farmer are scared to take a loan(because of lack of knowledge).
3. Time taking process.(The growers are least interested in applying loans from the banks)
4. Service problem.(Banks taking lots of time to permission the loan)
5. Regular income problem.(Farmer doesn't have any regular income so those don't pay yearly investiture)
6. Rate of interest.(Rate of interest should be minimal)

Benefits of Borderline growers and dealers

1. To meet short- term credit demand of civilization of crop.
2. Post-harvest of crop.
3. Produce marketing.
4. Consumption demand of planter ménage.
5. Working capital for conservation of ranch means and confederated conditioning of husbandry.
6. Investment demand of husbandry and confederated exertion.

Profitable benefit

- Time saving and therefore reduction in labour demand.
- Reduction of cost,e.g., energy, ministry operation cost and conservation, as well as a reduced labour cost.
- Advanced effectiveness in the sense of further affair for a lower input.

Agronomic benefits

- Organic matter increase.
- In- soil water conservation.
- enhancement of soil structure, and therefore lodging zone.

Environment benefits

- Reduction in soil corrosion, and therefore of road, levee and hydroelectric power factory conservation cost.
- enhancement of water quality.
- enhancement of air quality.
- Biodiversity increase.
- Carbon insulation.

SUMMARY

In India's history, Shivalik became the first Small Finance Bank to change from a Civic United Bank. In providing retail banking products and services, we have more than 23 years of banking experience. Shivalik has always placed a strong emphasis on technology, with the customer being its central tenet. The Infosys Finacle Core Banking and Digital Banking Suite, which includes online and mobile banking, power the Bank. The Bank has unrivalled agility to handle size and power growth thanks to the cloud-based architecture. Shivalik is a direct member of the National Financial Switch and is live on all retail payment platforms. In Uttar Pradesh, Madhya Pradesh, and other states, we are happy to serve our 4.5 lakh unique visitors through 46 branches, 250 banking agents, and 15,000 tone-help groups..

FINDING

The bank should appoint similar officers who go to the investors of remote areas and make them aware about the agrarian programs of the bank in their own languages this will make a planter directly interacted with the bank it's policies. The procedure of permission of loan should be easy i.e., the figures of document needed for it should be as lower as possible the bank should have to launch the crusade for the mindfulness of bank programs in the remote townlets. The findings of this study show that, the advanced the interest rates the lower the demand for loans. In addition, high interest rates cripple framing business that's high interest rates tends to have an adverse effect on the development or growth of framing or business in Bihar, since they depend veritably much on vacancy and availability fund at reasonable or favourable rates.

CONCLUSION

Now days multiple united banks, marketable banks and RRB provides loans to the cultivators at accessible interest rates. RRB's and NABARD are also working efficiently and effectively towards resolving the financial problems faced by the separate a/c holders. Besides this, The Government of India's policy is also favourable towards development of Agricultural sector. The Government has also launched motley schemes to advantage the guests, they are also assessing and are trying to enhance the current schemes as well for the betterment of the guests. husbandry development is intertwined with profitable growth. According to the World Bank, husbandry accounts for roughly 15 percent of India's Gross Domestic Product(GDP). It's hopeless to overdraw the pertinence of long- term finance in husbandry moment. coming prospects for agricultural backing in India are bright due to the rapid-fire industrialization of husbandry in India. monetary aspects of India's grange industriousness are examined by agricultural finance experts in order to more understand and anatomize their financial implications. husbandry has a financial element, which includes the product of farming products and the trade thereof. This has been vital for India's growth strategy and poverty reduction because husbandry accounts for 22 percent of India's gross domestic product and employs roughly 65 percent of the country's rural labour force. Farming's success is dependent on a variety of factors matching as loan vacancy in a timely manner as well as credit cost, as well as changes to the credit delivery system. Government of India and Reserve Bank of India(RBI) have played a significant part in erecting a wide- ranging institutional structure for old lady to the rising credit installations of the sector, honoring husbandry's significance in India's development plan. As the agricultural sector's conditions change, India's agricultural loan rules are periodically revised. India's food grain affair is tone- sufficient in part because of agricultural backing .

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