



Constraints Faced by the Users and Non-Users of Kisan Credit Card Scheme in Deoghar District of Jharkhand

***Roshni Ritu Murmu¹; Dr. Dipak Kumar Bose²; Dr. Jahanara³**

¹M.Sc.Scholar, ²Associate Professor, ³Professor and Head
Department of Agricultural Extension and Communication, Naini Agricultural Institute
Sam Higginbottom University of Agriculture Technology & Sciences, Prayagraj, U.P, India
*roshiritumurmu@gmail.com
+91 9304292238*

Abstract: Lack of access to finance is a key impediment to farmers in improving the efficiency of their productions and adopting better technologies. Credit not only plays a pivotal role in not only increasing agricultural production but also in improving the standard of living especially for farmers. Hence the present study was undertaken to find out the constraint encountered by the users and reasons of non adoption by non users of Kisan Credit Card scheme. The present study was conducted in Deoghar block of Deoghar district in Jharkhand. Purposive sampling was followed for the selection of one hundred and twenty respondents, dividing them into two groups of the users and non users of KCC Scheme. Pre-structured interview schedule was used to collect the data, collected data were converted in a tabular form to draw conclusion. The study inferred that family higher expenses was the major constraint ranked first by 46.66% of the users followed by 40 per cent who ranked insufficient savings as second and crop failure was ranked third by 36.66 per cent. The process of loan being a lengthy paper work was the major reason ranked first by 48.33 per cent non users followed by delay in loaning ranked second by 46.66 per cent and uncertainty of monsoon ranked third by 45 per cent.

Keywords: Kisan Credit Card Scheme; Users; Non-users; Constraints; Reasons of non adoption

1. Introduction

The agriculture sector as such, has been growing at a relatively low rate in comparison to other sectors of the economy. Lack of access to finance is a key impediment to farmers in improving the efficiency of their productions and adopting better technologies. Credit not only plays a pivotal role in not only increasing agricultural production but also in improving the standard of living especially for farmers. But the fact is that the farmer needs adequate and timely credit in a cost effective and flexible manner to raise a crop. Working capital needs of agriculture and allied activities are required to be met from the banking system failing which the farmer may be constrained to borrow from the informal sector the consequences of which are well known. Several initiatives have been taken and activities have been done by the Government as well as some reputed NGOs and other credit lending agencies on Kisan Credit Card in the research area, but expected outcome were not found. The K.C.C scheme has not been uniform across different geographical regions and different classes of the people. Thus, there was a need to know the problem faced by them in availing credit benefits under this scheme. Keeping in view the above fact, the present study was conducted.



2. Research Methodology

The present study was conducted in Deoghar district of Jharkhand state in the year 2018-2019. Deoghar blocks was selected purposively for this study as a large population of K.C.C scheme users were there. From the selected block, twelve villages were selected purposively. Purposive sampling was followed for the selection of one hundred and twenty respondents, dividing them into two groups of the users (n=60) and non users (n=60) of KCC Scheme. A well-structured and pre-tested interview schedule was used to collect the data through personal interview. Appropriate statistics was used to draw the conclusion.

3. Results and Discussion

The constraint analysis is important to reach out the voice of the farmers and the problems faced by them in order to enable planners, administrators, development workers and policy makers to implement developmental programmes and interventions which could cater to the needs of the farmers and benefit them in an improved manner. These were studied through recording the responses on three point continuum as Agree, No opinion and Disagree.

The results collected from the respondents regarding the constraints encountered by the users in using the K.C.C and problems faced by the non users in availing the benefits of the K.C.C. scheme are depicted in table 1 and table 2 respectively.

Table 1: Constraints faced by K.C.C users in using K.C.C. Scheme

N=60

| S.No | Difficulties of farmer in using K.C.C and to payback loan amount | Agree | No opinion | Disagree | Rank |
|------|--|------------|------------|------------|------|
| 1 | Family higher expenses | 28(46.66%) | 29(48.33%) | 3(5.00%) | I |
| 2 | Insufficient savings | 24(40.00%) | 29(8.33%) | 7(11.66%) | II |
| 3 | Crop failures | 22(36.66%) | 25(41.66%) | 13(21.66%) | III |
| 4 | Natural calamities | 19(31.66%) | 27(45.00%) | 14(23.33%) | VI |
| 5 | Bank is located at far off place | 17(28.33%) | 24(40.00%) | 19(31.66%) | VIII |
| 6 | Low scale of finance | 18(30.00%) | 23(38.33%) | 19(31.66%) | VII |
| 7 | Low subsidies | 15(25.00%) | 27(45.00%) | 18(30.00%) | IX |
| 8 | Loan interest is very high | 8(13.33%) | 24(40.00%) | 28(46.66%) | X |
| 9 | Delay in loaning | 21(35.00%) | 29(48.33%) | 10(16.66%) | IV |
| 10 | Lack of cooperation by bank staff | 20(33.33%) | 26(43.33%) | 14(23.33%) | V |

As depicted in the Table1 these are the number of constrains faced by K.C.C beneficiaries which was reflected in using the K.C.C Scheme effectively and repayment of loan amount. It is clear from the table that family higher expenses is the major constraint ranked first by 46.66% of the users followed by 40 per cent who ranked insufficient savings as second and crop failure was ranked third by 36.66 per cent. Delay in loaning was ranked fourth by 35 per cent, lack of cooperation by bank staffs ranked fifth by 33.33 per cent, natural calamities as



sixth by 31.66 per cent , low scale of finance as seventh by 30 per cent followed by 28.33 per cent who ranked bank located at far off place as eighth and 25 per cent ranked low subsidies ninth and only 13.33 per cent ranked loan interest being very high as tenth constraint faced by the users. Similar findings have been reported by Kumar Pramod and Prakash. P (2016).

Reasons for not adopting and using K.C.C Scheme by the non-users

It is appropriate to consider the reasons quoted by the non-users so that improvement can be made on those reasons which will help more farmers to avail the benefits of the scheme with long lasting effect. Hence, with this consideration, reasons as presented in the table 2 has been discussed and interpreted as under

Table 2: Reasons for not adopting and using K.C.C Scheme by the Non-Beneficiaries

| S. No | Reasons for not adopting K.C.C | Agree | No opinion | Disagree | Rank |
|-------|--|------------|------------|------------|------|
| 1 | Delay in loaning | 28(46.66%) | 30(50.00%) | 2(3.33%) | II |
| 2. | Less knowledge about the benefits of scheme | 24(40.00%) | 18(30.00%) | 18(30.00%) | VI |
| 3 | Low subsidies provided under the scheme | 22(36.66%) | 30(50.00%) | 8(13.33%) | VIII |
| 4 | Insufficient credit limit | 26(43.33%) | 27(45.00%) | 7(11.66%) | IV |
| 5 | Process of loan lengthy paper work | 25(48.33%) | 25(41.66%) | 6(10.00%) | I |
| 6 | Crop failures | 25(41.66%) | 29(48.33%) | 6(10.0%) | V |
| 7 | Uncertainty of monsoon | 27(45.00%) | 24(40.00%) | 9(15.00%) | III |
| 8 | Bank is located far place from village | 20(33.33%) | 24(40.00%) | 16(26.66%) | IX |
| 9 | Uncertainty of repaying | 23(38.33%) | 27(45.00%) | 10(16.66%) | VII |
| 10 | High and improper rate of interest | 18(30.00%) | 24(40.00%) | 18(30.00%) | X |
| 11. | Sub-division and fragmentation of land holding | 25(41.66%) | 27(45.00%) | 8(13.33%) | V |

In the table 2 the number of reasons perceived by the non beneficiaries in adoption and usage of K.C.C Scheme are depicted. It is clear from the table that the process of loan being a lengthy paper work was the major reason ranked first by 48.33 followed by delay in loaning ranked second by 46.66 per cent and uncertainty of monsoon ranked third by 45 per cent. Insufficient credit limit was ranked fourth by 43.33 per cent , crop failures and sub-division and fragmentation of land holding was given the same rank as fifth by 41.66 per cent non users followed by less knowledge about the benefits of scheme ranked sixth by 40 per cent , low subsidies rank seventh by 38.33 per cent, uncertainty of repaying ranked eighth by 36.66 per cent . Bank being located at far place from village was ranked ninth by 33.33 per cent and the last rank i.e. tenth rank was given to high and improper rate of interest by 30 per cent of the non users.The findings are in line with the findings of J.Malarvizhi and M.Dhanabhakym(2012).

The farmer's suggestions and recommendations for solving the problems faced by them are that the government should launch special programs to popularize the scheme where the flow of scheme is not impressive through awareness program. Minimizing the legal documentation procedure, increasing the direct access of farmers to the banks etc. must be done along with increasing the credit limit of crop loan. Provision of ATMs flexibility in use of bank branches and number of withdrawals and repayment should be there. Constant motivation from the officials (Government and Credit agencies) should be done to develop confidence among the farmers. Special



attention and facilities to Women farmers should be given so that large number of women are encouraged to avail the benefits of the scheme and feel empowered.

CONCLUSION

In the light of findings it is recommended that efforts should be made to popularize the KCC among various categories of the farmers for judicious use of low interest credit in agriculture for increasing the productivity for sustainable development. Development of agriculture in the present scenario depends on bridging the knowledge gap among the end users therefore more training and workshops could be conducted by bank as well as government officials to provide them clear knowledge of the various aspects of scheme. Also, proper information must be given by the officer in local language, KCC loan should be provided on time so that farmers could get maximum benefit of the scheme, officer should be more polite in behaviour with the farmers.

REFERENCES

- [1]. Gupta Sangeeta *et al*, 2018; Constraints faced by farmers in KCC holding; *International Journal of Fauna and Biological Studies* 2018; 5(3): 108-110.
- [2]. J.Malarvizhi and M.Dhanabhkyam, 2012; A study on the awareness utilization and problems of using Kisan Credit Card of Canara bank [With special reference to Coimbatore District].
- [3]. Kumar Pramod and Prakash.P, 2016; Performance of Kisan Credit Card Scheme in Tamil Nadu; *Ind. Jn.of Agri.Economics* Vol 71;No-2.
- [4]. Parwate Pramod and Sharma M.L, 2018; Constraints faced by the farmers in the utilization of Kisan Credit Card; *AIAEES*.
- [5]. Rajkumar P.K, 2007; The success of farmers credit card (Kisan Credit Card) scheme in India. *Ind. Econ. Pano.* 2007;17(2).
- [6]. Sharma A *et al*, 2013; A Study on Impact of Kisan Credit Card Scheme among the Beneficiary Farmers. *International Journal of Science and Research (IJSR), India;* (1):2319-7064.
- [7]. Singh A.K and Kumar P, 2007; Performance of rural credit and factors affecting the choice of credit source, *Abstract, Indian Journal of Agriculture Economics;* 62(3):297-313.
- [8]. Uppal R.Kand Juneja A., 2012; Kisan Credit Card Scheme in India: Issues and Progress, *Asian Journal of Research in Social Sciences and Humanitie;* 6(2):29-47