



INDIAN AGRICULTURE FINANCE: AN OVERVIEW



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ABSTRACT:

Finance is similar to other agricultural tools used in agricultural products. Understanding the importance of agricultural credit cards in promoting agricultural development and development, the institutional framework of agricultural credit system has been emphasized from the beginning of India's planned development era. This paper discusses the history and agricultural needs of India's agricultural economy, the sources and vastness of agricultural finances, and evaluates its progress.

KEYWORDS : *framework of agricultural , history and agricultural needs.*

INTRODUCTION:

Rural financing in India begins in the 4th century. Fundamentally, it is a matter of concern for farmers to finance agriculture in India. Although agricultural finance began in the 13th century, it has not yet reached its peak in the 20th century. History has a close look at the positive and negative changes in India's agricultural economy. Agricultural finance started in the colonial period. Problems affecting farmers during the study period show remarkable consistency in these situations. Relying on local lenders creates an absorbent environment that adversely affects poor farmers in rural areas. Due to the growth of co-operative credit societies, poor peasant farmers could not escape. Documents are the positive impact on the rural economy of the era of nationalized banks in ink providing agricultural finance to rural farmers. Served as the foundation for India's agricultural finance growth; under the nationalization program, they have had a positive impact on the security and empowerment of farmers through various methods of microfinance institutions (MFIs) and Sachgat-Bank-Link Linkage (SBL) to solve agro-finance crisis in micro finance sector. General Chat Chat Lounge although these reforms have undoubtedly increased the agricultural finance situation in India, agricultural finance in the poorer and backward areas is highly adverse so that farmers commit suicide.

Indian agriculture has always relied on agricultural finance at high interest rates. This creates serious problems of exploitation which increases the peasantry of the country. The issue was first addressed by the British Government in the late 1870s. During the drought, the government has started to provide credit as solid loans. In the first phase of institutionalization, the cooperative law was implemented in 1904. A level co-operative credit institution was established in all provinces, as reported by the McLagan Committee on Co-

operatives. General Chat Chat Lounge The Royal Commission of Agriculture emphasized rural credit supply in 1926-27

Agricultural subsidy has also been provided in the Reserve Bank of India Act, 1934. The RBI, which conducted rural institutional financing in 1936 and 1937 and towards institution 36, conducted various studies as a first step and found that a large amount of credit was needed by rural people, was provided by a non-organization. The Reserve Bank has taken several steps to provide credit to the institutions in the rural areas. A new design has been introduced to provide two types of time bound credits, such as short term and loan term credit. By 1951, implementing various measures to enhance agricultural finance, institutional credit was 4.6 percent of total agricultural finance, of which 4.3 percent was cooperative and 0.8 percent was banks. Contribute to the percentage of commercial banks. According to the All India Rural Credit Survey (according to Agriculture act 1954), agricultural finance fell in the right way, in the right form, the right objectives were not met and often failed to reach the right people. Nationalization of banks encourages commercial banks to increase agricultural finance. RBI is requesting 40 percent net bank credit for priority sector. The sub-sector target for agriculture is 18 percent. Lead bank scheme for ground level planning was also introduced to monitor and report on the performance of agricultural sector. More credit is also needed for the purchase of seeds, irrigation systems, fertilizers and chemical pesticides. In addition, production costs have increased substantially, which focuses on the need for agricultural finance policy in the country.

AGRICULTURE FINANCE POLICY:

The government has implemented a number of measures to increase the accessibility of farmers to credit institutions. The purpose of these strategic measures is to provide farmers with the necessary credit. This policy helped all the farmers to provide timely and adequate credit so that they could adopt modern technology and improve their farming practices. These strategies emphasize process rationalization, ground-level support and credit planning. The Policy Progress Report Card is shown below. It can be seen that the purpose of institutional credit is not achieved in the last three years due to procedural delays and low accuracy in the implementation of strategic measures.

Table 1.1 Amount Approved to Agriculture Sector (In Crores) 2004-05 to 2013-14

Sr. No.	Year	Target	Achievement
1.	2004-05	106000	125608
2.	2005-06	142000	181486
3.	2006-07	176000	229900
4.	2007-08	226000	254600
5.	2008-09	290000	197149
6.	2009-10	326000	385368
7.	2010-11	376000	469634
8.	2011-12	476000	516347
9.	2012-13	576000	312354
10.	2013-14	690000	438457

Source: Reserve Bank of India, Agriculture Financial Committee Report 2013-14

The above table 1.1 describes about the total amount approved to agriculture sector from the year 2004-05 to 2013-14 and it was observed that in the year the target amount was 106000 crore and it was achieved 125608 crore, it was seen that every year there is huge difference in target and achieved amount, it seems that every year the achieved amount is high rather than target amount, only in the year 2012-13 the target amount was 576000 where as it was achieved at 312354 crore and in the year 2013-14 the target amount was 690000 and the achieved amount was 438457 crore.

Table 1.2 Direct Institutional Credit for Agriculture in Short Term

Sr. No.	Issued Loan (in Crores)				
	Year	Cooperative	SCB's	RRB's	Total
1.	2000-01	18556	10704	3095	32355
2.	2001-02	21670	12661	3810	38141
3.	2002-03	23629	16825	4834	45288
4.	2003-04	29326	24143	6133	59593
5.	2004-05	31887	29978	9883	71748
6.	2005-06	35624	45644	12816	94084
7.	2006-07	40796	65245	17031	123072
8.	2007-08	47390	68243	20377	136010
9.	2008-09	48022	107766	22851	178639
10.	2009-10	61951	124646	30529	217126
11.	2010-11	63231	146063	38560	259234
12.	2011-12	66439	217897	47011	286790

Source: Reserve Bank of India, *Agriculture Financial Committee Report 2013-14*

The table shows the ratio of short-term financing given to agricultural activities in the period 2000-01 to 2011-12. It has been shown that the total loan disbursement increased from 2000-01 to 2011-12 to 32355 crore respectively from 286790. Has been increased During the ten-year period, about 900 per cent of the loan growth was paid. In each category, the amount paid for agricultural purposes is also increased. The highest increase was recorded in the case of SCB for agricultural purposes.

Table 1.3 Direct Institutional Credit for Agriculture in Long Term

Sr. No.	Issued Loan (in Crores)				
	Year	Cooperative	SCB's	RRB's	Total
1.	2000-01	8739	5736	871	15346
2.	2001-02	8899	5977	736	15612
3.	2002-03	10411	8431	1045	19887
4.	2003-04	10723	12069	1042	22834
5.	2004-05	13122	18389	2043	33555
6.	2005-06	12499	34955	2484	49938
7.	2006-07	13223	50021	3198	68442
8.	2007-08	10253	45229	3461	58943
9.	2008-09	10765	52924	3648	67337
10.	2009-10	12987	63607	4111	80705
11.	2010-11	7235	76729	5405	89369
12.	2011-12	7500	94980	6048	108528

Source: Reserve Bank of India, *Agriculture Financial Committee Report 2013-14*

The above table shows the ratio of long-term financing to agricultural activities for the period 2000-01 to 1-2. It shows that the total loan disbursement has increased from 15346 to 108528 and it has increased from 2-5 to 4-6 respectively. During the ten-year period, about 700 percent of the loan growth was paid. In the case of SCB and RRB, the amount paid for agricultural purposes has increased during the study period. In the case of co-operatives, the amount has dropped in the last few years. The highest increase was recorded in the case of SCB for agricultural purpose.

CONCLUSION:

To strengthen the economy, India needs to eliminate poverty, food insecurity and unemployment. This problem can be solved by targeting the agricultural finance problem. From the very beginning, the agricultural finance policy was focused on marketing, trade and processing and agribusiness purposes at the farmer level. The All India Rural Credit Survey (1954) states that agricultural finance in India fell short of the proper amount, did not break the right motive, and often failed to reach the right people. It is a matter of concern in India that the amount paid to agriculture sector has increased over the last two decades but it has benefited the right people, at the right time and in the right amount. Even today, rural credit for the basic needs of the business, including production, processing, marketing, distribution, utilization, value added services, requires serious government attention. This study shows that although the number of institutional credit in the agricultural sector in India is increasing, efforts should be made to provide the right kind of people at the right time, place and in the right way which will help the Indian people in the right direction.

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