A STUDY ON FARMERS PERCEPTION TOWARDS UTILIZATION OF AGRICULTURE LOANS IN RURAL AREAS WITH REFERENCE TO ANANTHAPURAM, KURNOOL DISTRICTS, ANDHRA PRADESH

K. Sarada Siva Reddy*1, Dr. K. Ravi Shankar*2

*1Research Scholar, School Of Management, Vel Tech Rangarajan Dr.Sagunthala R&D Institute Of Science And Technology, Avadi, Chennai, India.

*2Associate Professor, School Of Management, Vel Tech Rangarajan Dr. Sagunthala R&D Institute Of Science And Technology, Avadi, Chennai, India.

ABSTRACT

The Rayalaseema Region of Andhra Pradesh, the situation of the farmers and also both skilled and unskilled youth is very vulnerable. It is considered to be a backward area not only in Andhra Pradesh but also in India. The two districts including Anantapur and Kurnool continuously face drought for years. Insufficient rains during monsoons are the main reason. Though there are a few rivers like Tungabhadra and Penna, their source is in other states and so water for farmers of Rayalaseema is only a daydream most of the times. No interstate agreements support the poor farmers of Rayalaseema to help them out of troubles. The farmers mainly depend upon crops which need less water like groundnuts or such. Also there will not be reasonable support rates in the market for the little yield they get.

Due to natural calamities also the area suffers, but most of the times it is due to scarcity of water. Major portion of the farmers and farm-workers migrate to metropolitan cities to lead a rigid and isolated life there. Unable to make both ends meet a number of farmers commit suicide which stands as an example for the pathetic condition here. Sometimes there will be sufficient water, but the poor farmers will get unsafe seeds from the callous business people and thus they will be crushed between the double edged knives to the core. So agricultural loans are very essential for the farmers of this region to live their lives in a contented manner if not in a satisfactory manner. In this study we used statistical tools are percent of change, percent of share in total and ranking method.

Keywords: Agriculture Loans, Natural Calamities, Groundnuts, Crops, Poor Farmers.

I. INTRODUCTION

During the 35 years of the study period, the total geographical area of Rayalaseema region declined by about six lakh hectares due to the re-allocation of few taluks from Kurnool to Ananthapuram districts. The overall land use pattern in the region and the basic changes in land use pattern during this period are presented. It can be seen that Kurnool was the geographically biggest district at the beginning, but due to reallocation of taluks, Anantapuram at present stands as the biggest district.

The percentage of net sown area to total geographical area was 40.70 per cent in the beginning and it remained same by the terminal year of the study in the entire region. The percentage of net sown area to the total area was highest in Anantapuram (53.41) followed by Kurnool (48.17). Only marginal changes took place in all the districts between 1956-57 and 1990-91 as far as the percentage of net sown area to total geographical area is concerned. Even the percentage of gross cropped area to total area remained the same in Rayalaseema region at about 43.5per cent. Among the districts, the percentage of gross cropped area.

The region receives rainfall mainly from the South-west (July to September) and North-east (October to December) monsoons. However, by the time these monsoons reach the area they exhaust a major portion of their potency and the region does not get the full benefit of either of the monsoons. It is a natural cure for the people living over here. During winter (January-February) and Hot-weather (March-May) periods, this region receives negligible rainfall. The season-wise normal rainfall figures for all the districts of the region are described.

It can be observed that between 1956-57 and 1990-91, the normal rainfall figures of the two districts and the region as a whole changed to some extent. The normal rainfall figures of Anantapuram district have been
lowered by 6.5 per cent between 1956-57 and 1990-91 which is really alarming. In the case of the other three districts, the quantum of normal rainfall increased. Of the two districts, Anantapuram is the driest with total normal rainfall 521 mm.

RAYALASEEMA REGION MAP FOR INCLUDING ANANTHAPURAM AND KURNOOL DISTRICTS

II. REVIEW OF LITERATURE

Lakshmanan, C and Dharmendhran, A (2007) studied the impact of Non-Performing Assets (NPAs) on performance variable in Chennai Central Co-operative Bank. They examined performance variables namely, net profit, investment, legal expenses and spread. They observed that the results of NPAs on all the above performance variables were negative and insignificant at 5 percent level in all the equation. They concluded that the effective management of NPAs is essential to strengthen the financial position of the bank.

Darling Selvi.V (2008) examines the lending performance of Kanyakumari District Central Co-operative Bank (KDCCB). He observed that the overall growth rate of loan disbursement on short term credit shows a positive growth of 25%. The credit facilities extended by KDCCB are high for services, medium for industries and low for agriculture. He concludes that the overall performance of the KDCCB is good. If the benefits are properly toiled and utilized there will be a bright future for both to the community and to the nation.

Mohan, S (2008) has examined the factors determining the profitability of central co-operative bank. He observes that profitability ratios invite the serious attention of the management to put an integrated effort to correct the financial Performance. He suggests that the bank should expand its banking operations in such a way that the non-interest income increase.

Kumar Saikia (2015) studied the role of cooperative banks in rural development in the State of Sikkim in India and analyzed the trends in rural credit, outreach of Credit societies and level of participation of rural communities in the mainstream financial system through PACS, they concluded that Cooperative Bank under study was found to have been functioning under financial stress for reasons arising out of increasing cost of operations, dwindling profits and prevalence of high over-dues mainly because of poor performance of cooperative societies. In order to cope up with the situation of declining vitality the cooperative banks, the government and NABARD has to rethink about this sector and take some measures to revive the cooperative sector through more capacity building efforts on rural livelihoods in grassroots levels for better bank-borrower relationship, financial inclusion and social security in rural India.
Kanchan (2016) studied the role of cooperative banks of Punjab in agricultural finance and she found that though the number of PACS has shown a tremendous rise but the situation has deteriorated in Punjab as number of PACS has shown a tremendous downfall. Loans issued by PACS in the state of Punjab recorded very meagre share over the loan issued by all PACS in India.

Shastry (2017) concluded that the business performance of DCCBs in Warangal District has been increasing year by year from the observation of financial statements of the bank. In case of deposits the trends in deposits are observed to be increasing and lending advances is also increased but the rate of increase fast. The overall performance is averagely considered as satisfactory and DCCBs are working satisfactory but financial results are still to be increased by creating and promoting awareness about facilities to rural people and moreover due to illiteracy and low educational levels rural people.

Venkatesulu A. (2018) identified that the Urban Co-operative Banks were playing most significant role in availing funds from NABARD and State Co-operative Banks and disbursing it to farmers through Primary Agricultural Co-operative Societies and studied the current status of the urban co-operative banks (UCB’s) industry in India. He concluded that some UCBs have shown credible performance in the recent years, a large number of banks have shown discernible signs of weakness. The operational efficiency is unsatisfactory and characterized by low profitability, ever growing non-performing assets (NPA) and relatively low capital base. Also urban cooperative banks have not been able to service the growing credit requirements of clients or the newer demands for loans in the field of personal finance.

III. RESEARCH METHODOLOGY AND OBJECTIVES

OBJECTIVES OF THE STUDY
1. To study the utilization of agriculture loans by the farmers in the study area.

STATE OF THE PROBLEM
The main problem is there is less marketing facilities. The middle men are getting a lot of income at the cost of both the farmer and the consumer. Anantapuram and Kurnool districts is drought prone area. The farmers in the area suffer from many problems. The major problem is shortage of water.

NEED FOR THE STUDY
The study is necessary because the districts is considered to be the most backward region. Many farmers have been committing suicides every year. Most of the youth are leaving for other places for living. There are very few rain falls and the sand is also not fertile.

SCOPE OF THE STUDY
There is a lot of scope for the study in Ananthapuram and Kurnool districts. Any amount of investigation can be made since farmers are in very poor condition there. For the farmers is a burning problem. Help for the farmers of the both districts are inevitable. If finance is supplied to the farmers regularly, there may be some improvement in their living standards and their distress may be lessened to some extent.

METHODOLOGY OF THE STUDY
The primary data is collected from farmers in the Ananthapuram and Kurnool districts by meeting them personally and asking a pre-prepared questionnaire face-to-face and record their statements. The sample size is 116. By using data collection, the investigator uses convenience sampling by interview method. collected from the already prepared sources such as books, magazines, journals, Government website.

TOOLS OF ANALYSIS
The few tools have been used for the study, these are percent of change, percent of share in total used in the data analysis.

STATISTICAL TOOLS USED
Statistical tools were Frequency and Percentage and Ranking method.
IV. DATA ANALYSIS AND INTERPRETATION

Table No. 1 Utilization of Agriculture Loan Facilities

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Utilization of Agriculture Loan Facilities</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Mean</th>
<th>S.D.</th>
<th>Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Drought</td>
<td>12 (10.3)</td>
<td>17 (14.6)</td>
<td>46 (39.6)</td>
<td>41 (35.3)</td>
<td>3.00</td>
<td>0.969</td>
<td>III</td>
</tr>
<tr>
<td>2</td>
<td>Interior quality of input</td>
<td>34 (29.3)</td>
<td>47 (40.5)</td>
<td>22 (18.9)</td>
<td>13 (11.2)</td>
<td>2.15</td>
<td>0.985</td>
<td>II</td>
</tr>
<tr>
<td>3</td>
<td>Market conditions</td>
<td>42 (36.2)</td>
<td>45 (38.7)</td>
<td>17 (14.6)</td>
<td>12 (10.3)</td>
<td>2.03</td>
<td>1.003</td>
<td>IV</td>
</tr>
<tr>
<td>4</td>
<td>Sanctioning the agriculture loan</td>
<td>34 (29.3)</td>
<td>36 (31.0)</td>
<td>24 (20.6)</td>
<td>22 (18.9)</td>
<td>2.27</td>
<td>1.070</td>
<td>VI</td>
</tr>
<tr>
<td>5</td>
<td>Social factors</td>
<td>37 (31.8)</td>
<td>42 (36.2)</td>
<td>22 (18.9)</td>
<td>15 (12.9)</td>
<td>2.17</td>
<td>1.043</td>
<td>V</td>
</tr>
<tr>
<td>6</td>
<td>Weather conditions</td>
<td>39 (33.6)</td>
<td>54 (46.5)</td>
<td>14 (12.0)</td>
<td>9 (7.7)</td>
<td>1.94</td>
<td>0.877</td>
<td>I</td>
</tr>
<tr>
<td></td>
<td><strong>Overall Score</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>2.26</strong></td>
<td><strong>0.338</strong></td>
<td></td>
</tr>
</tbody>
</table>


It could be noted from rank ordering of statements of table no. 1 that top ranked statements were ‘weather conditions’, ‘interior quality of input and drought’. The ranks assigned to the statements are 1, 2, and 3 respectively. The means of the statements are 1.94, 2.15 and 3.00 respectively. The statements on which poor opinion expressed by the respondents towards ‘Sanctioning the agriculture loan’, ‘social factors’ and ‘market conditions’. The ranks assigned to the statements are 6, 5 and 4 respectively.

Table No. 2 Distribution of respondents according to their Utilization of agriculture loan by the farmers.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Extent of agricultural loan utilization</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Completely utilized</td>
<td>49</td>
<td>42.24</td>
</tr>
<tr>
<td>2</td>
<td>Partially utilized</td>
<td>41</td>
<td>35.34</td>
</tr>
<tr>
<td>3</td>
<td>Not at all utilized</td>
<td>26</td>
<td>22.42</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>116</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Table No.2 shows that the distribution of respondents according to their utilization of agriculture loan by the farmers. The highest percentage is 42.24 with particulars ‘completely utilized’ and the lowest percentage is 22.42 with particulars ‘not at all utilized’. In between there is one with particulars ‘partially utilized with percentage 35.34.

Table No. 3 Distribution of respondents according to their pattern of agriculture loan utilized

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Extent of agricultural loan utilization</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Often</td>
<td>61</td>
<td>52.59</td>
</tr>
<tr>
<td>2</td>
<td>Occasional</td>
<td>43</td>
<td>37.07</td>
</tr>
<tr>
<td>3</td>
<td>Never</td>
<td>12</td>
<td>10.34</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>116</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
Table No.3 tells about the distribution of respondents according to their pattern of agriculture loan utilized. The highest percentage is 52.59 with option ‘often’ and the lowest percentage is 10.34 with the option ‘never’. In the middle there is one with the option ‘occasional’ with percentage 37.07.

V. FINDINGS OF THE STUDY

1. Majority of the respondents opine that the utilization of agriculture loan facilities depends on weather conditions with percentage 46.5.
2. Majority of the respondents opine that the Agriculture Loan is completely utilized with percentage 42.24.
3. Majority of the respondents opine that the pattern of agriculture loan utilized is often with percentage 52.59.

VI. CONCLUSION

The study reveals that there are inadequate funds available with the institutional agencies. Government, co-operative banks and commercial banks are the three major constituents of agricultural loan management. These are the frontline agencies extending agriculture loans directly to the farmers. There are many methods of agriculture loans, but broadly agriculture loans are extended in cash as well as kind.

VII. REFERENCES