

Problems experienced by the borrowing farmers regarding loan availability and its utilization in western U.P.

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Abstract

In this research article an effort has been made to shortcut the major problems being experienced by the borrowers, who have borrowed the loan from various financial institutions (Nationalized banks, District Co-operative Banks and other private banks). The study was primarily conducted in the part segment of western U.P. Two districts namely Agra and Mathura were selected randomly in Agra Region. In all four blocks (two blocks under each district) and twenty villages (five villages under each block) and three hundred borrowers (fifteen respondents (borrowers) under each village) were selected. The primary data were collected with the help of well structured interview schedules. The important common problem being experienced by all the three groups of farmers were 'Non-availability of crop and in time', 'Demand could not meet out as per own choice', 'The bank distance was far away which creates problems for going and coming back to their own village'. In general small farmers faced more problems as compare to medium and large farmers in availing and utilization of loan.

Key words: Nationalized banks, Co-operative Banks, borrowers, respondents

Introduction

Scientific farming lies on three basic components viz., good land, proper labour force and sufficient amount of credit to manage and meet out the demand of farmers to have good quality of seed, fertilizer, plant protection chemicals, irrigation facility and farm machinery. The various inputs and irrigation facilities can be managed only by having proper credit available by the farming community. The Central and State Governments have set-up credit institutions in country as a whole. The nationalized and non-nationalized banks are providing credit to farming community for different purposes of agriculture activities. In spite of Central and State Government efforts to help the farmers, there are so many hurdles and bottlenecks in the process of credit available to the needy farmers. This study emphasize that farmers in general are facing varieties of problems with regard to credit availability and its utilization.

Method and Material

The present study was conducted in Agra and

Mathura districts of Agra Region in western U.P. Out of fifteen blocks in Agra district and ten blocks in Mathura district, two blocks from each district were selected purposively. Five villages from each block were finally selected through random sampling. Under each village; fifteen borrower families were selected by random sampling technique thus making total sample of three hundred borrowers. The farmers were categorized in Small (190), Medium (90) and Large (20) farmers size groups. The primary data were collected with the help of well structured interview schedule.

Results and Discussion

The result pertaining to problems experienced by the borrowers of different size group of farmer's regarding availability and utilization of credit in the field situation. The prominent findings so experienced were discussed below.

(i) problems being experienced by the borrowers :

Table 1 reveals that in case of small farmers majority of the respondents have experienced various problems related to banking services; to mention some one are : 'No opportunity to share own views with

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Table 1: Showing the problems being experienced by the (borrowers) respondents under different farm size groups regarding banking services. N=300

Problems faced by the respondents	Small (190)		Medium (90)		Large (20)		Overall (300)	
	No. of farm	%age	No. of farmers	%age	No. of farmers	%age	No. of farmer	%age
1. Non-cooperative behavior of bank personnel	112	58.95	15	16.66	2	10.00	129	43.00
2. Insufficient loan availability.	109	57.37	23	25.55	3	15.00	135	45.00
3. Too much expenses incurred in completion of formalities.	89	46.84	32	35.55	2		123	41.00
4. Insufficient quantity of fertilizers available to the farmers.	124	65.26	38	42.22	6	30.00	168	56.00
5. Poor quality of seed supplied by the Co-operative Society.	90	47.37	40	44.44	2	10.00	132	44.00
6. Poor quality of fertilizer availed.	94	49.47	34	37.78	4	20.00	132	44.00
7. The rate of interest of bank is too high.	145	76.32	64	71.11	4	20.00	213	71.00
8. Loan is not available in proper time.	88	46.32	42	46.67	3	15.00	133	44.33
9. Lack of sitting facilities in the bank for borrowers.	124	65.26	47	52.22	2	10.00	173	57.66
10. No opportunity to share own views with bank personnel.	154	81.05	28	31.11	17	85.00	199	66.33
11. Time taking in loan sanction.	75	39.47	36	40.00	2	10.00	113	37.66
12. Delay in loan sanction by bank personnel.	142	74.74	32	35.55	3	15.00	177	59.00
13. Complex method of loaning procedure..	139	73.16	27	30.00	3	15.00	169	56.33

Note: More than one problem has been experienced by the borrowers, hence total number of borrowers and percentage exceeds to 300 and 100.

bank personnel' (81.05%), The rate of interest of bank is too high' (76.32%), 'Delay in loan sanction by personnel' (74.74%), 'Complex method of loaning procedure' (73.16%), 'Insufficient quantity of fertilizers available to the farmers' (65.26%), 'Lack of sitting facilities in the bank for borrowers' (65.26%), 'Non-cooperative behavior of bank personnel' (58.95%), 'Insufficient loan availability' (57.37%), 'Poor quality of fertilizer availed' (49.47%), Too much expenses incurred in completion of formalities' (46.84%), 'Poor quality of seed supplied by the Co-operative Society' (47.37%), 'Loan was not available in proper time' (46.32%), and Time taking in loan sanction' (39.47%).

In case of medium farmers, majority i.e. 71.11 per cent respondents have reported that The rate of interest of bank was too high', 'Lack of sitting facilities in the bank for borrowers' (52.22%), 'Loan is not available in proper time' (46.67%), 'Poor quality of seed supplied by the Co-operative Society' (44.44%), 'Insufficient quantity of fertilizers available to the farmers' and 'Time taking in loan sanction' each (42.22%), 'Poor quality of fertilizer availed' (37.78%), Too much expenses incurred in completion of formalities', and 'Delay in loan sanction by bank personnel' each (35.55%), 'Non-cooperative behaviour of bank personnel' (31.11 %), 'Complex method of loaning procedure' (30.00%), and 'Insufficient loan availability' (25.55%), .

In case of large farmers less than 30.00 per cent respondents have experienced the problems related to bank finance. Maximum 30.00 percent each have experienced the problem of 'Insufficient quantity of fertilizers available to the farmers' and 'Poor quality of fertilizer availed', 20.00 percent each have experienced the problem of 'Non-cooperative behavior of bank personnel', Too much expenses incurred in completion of formalities', 'Poor quality of seed supplied by the Co-operative Society', The rate of interest of bank was too high, Time taking in loan sanction', and 15.00 per cent experienced the problem of 'Insufficient loan availability', 'Loan is not available in proper time', 'No opportunity to share own views with bank personnel', 'Delay in loan sanction by bank personnel', and 'Complex method of loaning procedure', and 10.00 per cent

respondents mentioned regarding 'Lack of sitting facilities in the bank for borrowers', respectively.

From the above explanation, it may be concluded that overall small farmers were in majority having experienced more problems pertaining to bank loan in comparison to medium and large farmers.

Overall it may be further concluded that majority i.e. 71.00 per cent respondents have experienced the problem of rate of interest of bank is too high', 'No opportunity to share own views with bank personnel' (66.33%), 'Delay in loan sanction by bank personnel' (59.00%), 'Lack of sitting facilities in the bank for borrowers' (57.66%), and 'Complex method of loaning procedure' (56.33%)

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