

CHAPTER -5

Conclusions and Suggestions

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CHAPTER - 5
CONCLUSIONS AND SUGGESTIONS

- 5.1 Introduction
- 5.2 Major Findings of Study
- 5.3 Suggestions.

5.1 Introduction:

Kisan Credit Card Scheme within short span of time has established itself as fairly popular product of credit system among the farming community. It is expected that this would help the farmers in easy and timely access of desired institutional credit. The findings explained in the earlier chapter have brought out the fact that KCC has been appreciated and accepted by both the bankers as well as farmers. Despite all this, KCC scheme is not free of problems. Based on the discussion held in the field with farmers and bankers, the study has brought out certain issues relating to policy as well as operational aspects of KCC which may require attention of the agencies concerned.

The main thrust of study highlights the performance of the KCC holders, working of MKBs and impact of KCC scheme on farmers in Kolhapur district. The present study concentrated on KCC scheme Kolhapur district 10 MKBs, which has a permission to issue KCCs and 100 beneficiaries of MKBs are selected at random.

5.2 Major Findings of the Study:

The following important conclusions to the concerning policy and operational issues emerged from the finding of the study.

Among various types of Kisan Credit Card, KCC scheme played an important role in agricultural development. It was introduced in 1998-99 to facilitate the short term credit to agriculture. The purpose of the KCC is to avoid complicated procedures and procedural delays.

1. The study of Harpreet Singh and M.K.Sekhon, Mr. Danish Faruqui, Dr. J.B.Kulkarni, B.N. Kumar, Dr. Narendra Pal Singh and Suraj Bhan Dahiya emphasized that KCC scheme is essential to agricultural production of large farmers in general and small and marginal farmers in particular.

2. The study shows that, KCC holders were beneficial to the MKBs. But still MKBs were facing the problems like, inadequate credit supply, inadequate inputs & capital.
3. The larger benefits were received by the farmers of Shirol taluka (40 per cent). It means spread of KCC is not uniform.
4. The study observed that, of the 9404 members, 4737 (49.32 per cent) members were having KCC facilities. It means nearly 50 per cent of members were KCC members.
5. It observed that, out of total MKBs, 50 per cent MKBs sanctioned the loan in the range of Rs. 25,000 to Rs. 50,000, whereas, rest of the MKBs sanctioned loan of Rs.50, 000 and above .It means owners of large size of the holdings received larger amount as compared to small farmers.
6. It was found that, 80 per cent of the MKBs were followed the criteria of regular membership and 100 per cent of the MKBs used the criteria of land holding.
7. The study shows that, out of total MKBs, 100 per cent MKBS were having problem of loan recovery.
8. The study observed that, of the total 100 KCC beneficiaries, most of the KCC holders (27 per cent) belong to 36 to 45 age group and 28 per cent of the KCC holders belongs to 46 to 55 years of the age group.
9. The study reveals that, majority of KCC holders (30 per cent) were in the education group of high-school level followed by primary and higher secondary education.

10. It implies that, loans taken by KCC holders from MKBs, majority of the KCC holders (47 per cent) were taken loans in the category of Rs.10, 000 to Rs.25,000.
11. The farmers were using 60 per cent loan in terms of cash and 40 per cent in kind, for carrying out the cultivation, irrigation as well as purchasing of improved seeds pesticides etc. They were not misutilised.
12. The study also observed that, 61 per cent of KCC holders have purchased the inputs from Cooperative Marketing Society; remaining 39 per cent farmers purchased inputs from Cooperative Product and Distribution Society and Other Cooperative Societies.
13. It was found that, out of total KCC sample farmers, majority of the KCC farmers (72 per cent) did not know information about Crop Insurance Scheme.
14. After KCC scheme due to availability of credit supply, the MKBs under KCC scheme, nearly 65 per cent of the farmers were engaged in double and multiple crops.
15. The study observed that, documents required for credit supply to the farmers, after KCC scheme came down. Nearly 95 per cent and 78 per cent beneficiaries were responded that availability of easy loan and adequate credit as against 5 per cent and 20 per cent before KCC scheme.
16. After KCC scheme, the beneficiaries incurred high quality seeds. Farmers were able to spent more on purchase of seeds because of easy

availability of credit supply. Average spending on the seeds has increased from Rs.8170 to Rs.9216 with the marginal like of Rs.1046.

17. After the introduction of KCC, the respondents used the high cost chemical fertilizers, overall cost incurred by the farmers has increased found Rs.7454 to Rs. 8650 with marginal increased of Rs.1196.

18. The study also found that, the growth of agricultural income after the KCC scheme has improved. The income of the majority farmers has increased from Rs.41725 to Rs.55750 with absolute increase of Rs. 14025 after the KCC scheme.

The overall impact of KCC scheme is positive. The agriculture income has increased rapidly due to availability of inputs through KCC scheme.

5.3 Suggestions:

So me suggestions for the further improvements in the operation of the Kisan Credit Card in selected area is made as under.

1. The limit of crop loans on KCC scheme should be expanded from Rs. 13,000 to Rs.30, 000 per acre.
2. The period of crop loan of KCC should be extended 1 year to 2 years.
3. In order to small and marginal farmers which are the most vulnerable group of the rate of interest should be kept low.
4. Crop Insurance Scheme should be informed to farmers by the banks.

5. The Banks has to provide the information on Personal Accident Insurance Scheme to the farmers.
6. The administration has to supply adequate funding to the MKBs (PACS).
7. KCC scheme should be presented in a form of rural credit card which can provide the benefits to the general masses.
8. A farmer who refunds the loan under KCC scheme in a scheduled time should be honoured by a prize to highlight his success and motivate others.